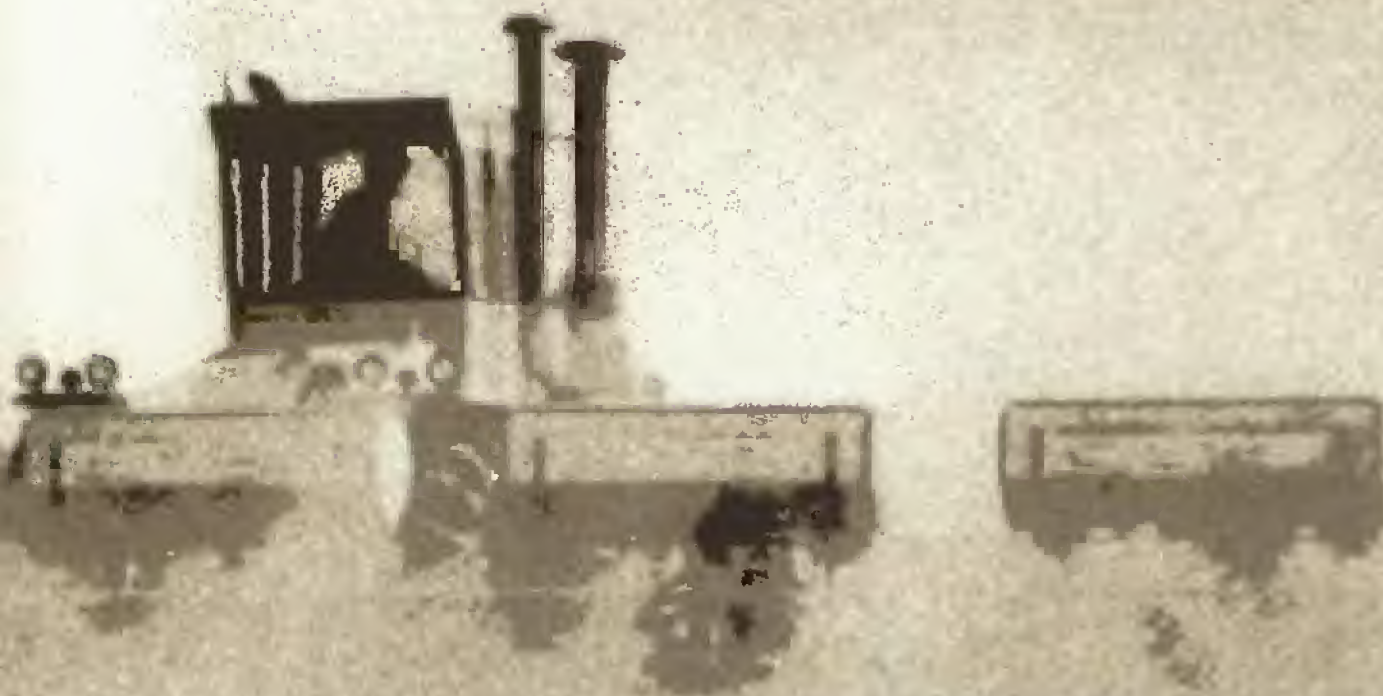


AGRICULTURAL OUTLOOK

April 1981

● Economics and Statistics Service
United States Department of Agriculture



**Spring Acreage Plans
Detailed**

See page 2

AGRICULTURAL OUTLOOK

April 1981/AO-64



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Economics Staff

Lorna Aldrich (202) 447-2317

Managing Editor

Leland Scott (202) 447-8353

Editorial Staff

Shirley Hammond

Sherrie Meyer

Statistical Coordinator

Ann Duncan (202) 447-2319

Production Staff

Shawn Irving, Francina Edwards, Deborah Perrell, Neva Hayslett, Joan Bazemore and Linda Zelder.

For more information, contact:

Commodity Highlights—Don Seaborg or Bob Miller (202) 447-8376

Farm Income—Gary Lucier and Allen Smith (202) 447-4190

Food Prices—Ralph Parlett (202) 447-6860 and Paul Westcott (202) 447-8801

General Economy—Paul Prentice or Michael Salant (202) 447-2317

Marketing Costs—Dave Harvey (202) 447-6860, or Denis Dunham (202) 447-8801

Transportation—T.Q. Hutchinson (202) 447-8666

World Agriculture and Trade—Dewain Rahe or Sally Byrne (202) 447-9160

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In Brief . . . News of Spring Plantings, Meat Supplies, and the World Economy

In March, farmers stated intentions to plant marginally smaller acreages of soybeans, corn, and cotton. However, the overall acreage seeded to 1981 crops may surpass 1980 by about 2 percent, mainly on the strength of an expected 8-percent increase in total wheat area. Supplies of seed, fertilizer, pesticides, and fuel are readily available, but at higher prices than last year. With average yields, 1981 wheat production could be record large, and production of other crops would increase sharply from last year's drought-reduced levels.

Declines in beef and pork production will raise livestock and meat prices in the next several months. The March inventory of hogs and pigs showed 8 percent fewer animals destined for market through the spring and summer than a year ago. Although the December 1980 inventory had suggested a smaller decline, the March report was consistent with expectations last fall of sharply smaller production as rising costs eroded producers' feeding margins.

Primarily because of lower-than-expected farm prices in the first quarter, net farm income through the winter probably did not improve from last fall's low levels. Even so, net income for all of 1981 will substantially surpass the 1980 estimate of about \$22 billion. Cash receipts for crops may be up 6 to 10 percent from 1980, and livestock receipts could rise 9 to 13 percent. However, total production expenses are also expected to climb 9 to 13 percent this year, with fuel, feed, fertilizer, and agrichemicals leading the rise.



The world economy faces gloomy prospects this year, with restrained growth in store for personal consumption expenditures and trade volume. Real economic growth in the developed countries, including the United States, is projected to average about 1 percent. The East European and Soviet economies will be constrained by low productivity and poor export prospects in the mining and industrial sectors, some poor 1981 harvests, and dependence on hard currency trade credits for imports. The oil-importing developing countries also face serious financial constraints, and their overall economic growth in 1981 will probably slow from last year.

The U.S. economy's recovery from last year's recession continues to exceed expectations. A mild downturn in the second quarter is still a possibility, but it now also seems possible that no decline in real GNP will occur in the first half of 1981. The first quarter of 1981, buoyed once again by consumer spending, is now expected to show real GNP growth of 2 to 4 percent (annual rate). For the entire year, real income may grow 1.5 percent—modest by historical standards, but sharply above 1980.

Retail food prices in 1981 are still forecast to increase 10 to 15 percent from last year; current indicators suggest a rise of nearly 12 percent. The farm value of foods will account for nearly a third of the increase, while marketing costs account for about half. Higher red meat and poultry prices will have the most significant impact, because these items account for nearly 35 percent of consumer food expenditures.

The fertilizer outlook for spring indicates larger consumption and lower-than-expected prices. Continued strong demand for crops should increase fertilizer consumption, possibly boosting this season's domestic use to a record level.

The Food and Agriculture Act of 1977 expires with the 1981 crop year, and most major farm organizations have now testified before agricultural committees in the House and Senate. Because the Act includes temporary amendments to earlier legislation, many programs would revert to 1940's legislation in the absence of a 1981 farm bill. The first 1981 legislation signed deleted the April 1 adjustment in dairy support prices.

Between the early 1950's and the early 1970's, growth in world food production was generally strong and steady—albeit unevenly distributed. During the same time, consumption made unprecedented gains, even after adjusting for population growth. In these 2 decades, the world's trade in food—supplied increasingly by a few exporters such as the United States—expanded roughly twice as fast as production and consumption. By 1985, the world may depend on the United States for 15 percent of its agricultural supplies, compared with 2 percent in the early 1950's and 11 percent in the late 1970's. To accommodate this increase, U.S. farm exports would have to expand 6 to 8 percent a year.



Agricultural Economy

Farmers' planting intentions reveal that the total acreage seeded to 1981 crops may surpass 1980 by about 2 percent. Inputs are available to produce large crops, so weather poses the main risk to 1981 crops.

Farm prices have declined in recent months and price relationships between crops have shifted, making it more difficult for undecided farmers to make 1981 planting decisions. Corn prices are high in relation to other crops competing for the same land, although prices for all major crops are higher than a year ago.

SPRING PLANTING PROSPECTS:

Wheat Up, Corn and Soybeans Steady

A survey of 1981 planting intentions, released March 19, showed farmers' response to weather developments and anticipated changes in commodity and input prices. Total wheat area may approach 87 million acres, about 7 million more than last season. Much of this increase reflects the larger winter wheat area planted last fall when wheat prices were quite strong. Durum acreage will be up 11 percent, but this will be largely offset by the reduced acreage planned for other spring wheat.

No Dramatic Changes in Store for Spring Plantings

Crop	1979 Plantings	1980 Plantings	1981 Intentions	1980 to 1981
	thousand acres			percent change
Feed grains	118,737	121,643	122,304	(*)
All corn	81,393	84,106	83,977	(*)
Sorghum	15,277	15,894	15,729	-1
Oats	13,957	13,360	13,513	+1
Barley	8,110	8,283	9,085	+10
Food grains	74,314	83,793	90,567	+8
All wheat	71,424	80,430	87,081	+8
Winter ¹	51,787	57,425	63,939	+11
Durum	4,042	5,525	6,135	+11
Other spring wheat	15,595	17,480	17,007	-3
Rice	2,890	3,363	3,486	+4
Dilseeds ²	79,655	76,448	75,997	-1
Soybeans	71,632	70,087	69,817	(*)
Sunflower	5,555	4,010	3,905	-3
Peanuts	1,546	1,542	1,609	+4
Flaxseed	922	809	666	-18
Cotton	13,978	14,558	14,484	(*)
Hay ³	61,666	59,437	61,051	+3
Dry edible beans	1,423	1,896	2,005	+6
Dry edible peas	139	139	111	-20
Sweetpotatoes	118	108	111	+2
Tobacco ⁴	827	916	939	+3
Sugarbeets	1,161	1,232	1,256	+2

¹ Estimated December 1980. ² Excludes cottonseed. ³ Area harvested. ⁴ 0.5 percent or less.

Corn plantings may hold at around 84 million acres and soybeans at around 70 million. Slightly less cotton acreage will be seeded even though prices have been strong.

Last year, the total planted area rose 3 percent from 1979 to 299 million acres, including 9 million more acres of wheat, 3 million more acres of feed grains, and slightly more land in cotton. Less land was planted to oilseeds.

Inputs Plentiful for 1981 Crop Year

The supply of farm inputs for spring planting is adequate to abundant. There are plenty of tractors and other farm machinery to get the crop in the ground quickly and to cultivate and harvest it later in the year. Supplies of seed, fertilizer, insecticides, herbicides, and fuel are readily available, but at higher prices than last year because of general inflationary pressures. The grain transportation and handling system's capacity is also up from 1980, so hauling and storing large 1981 crops should be no problem, barring strike activity.

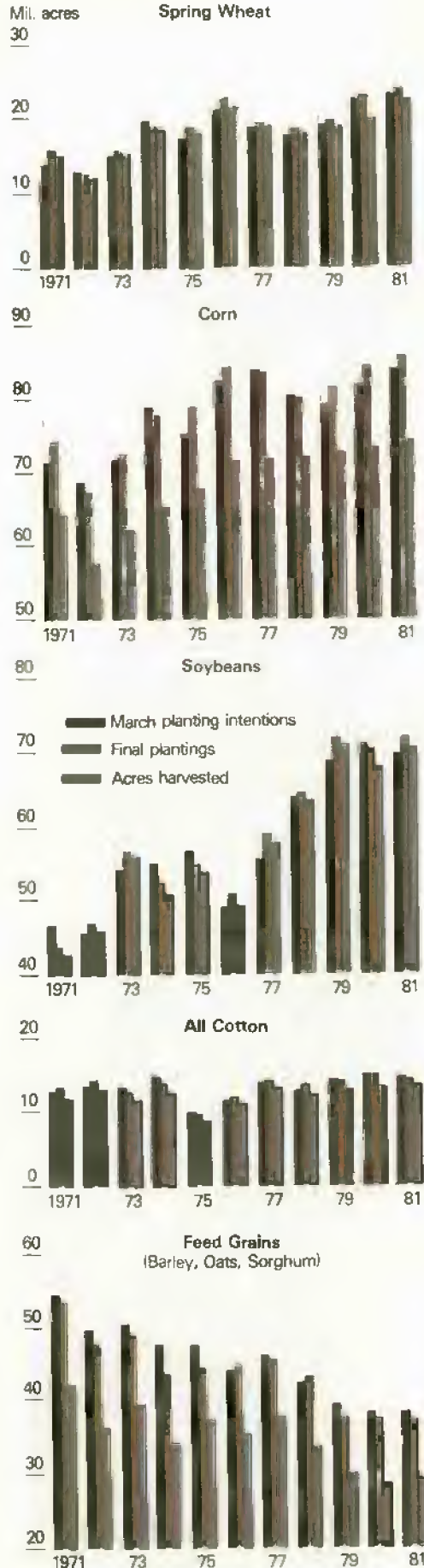
Water and Weather: The Critical Variables

The real questions about 1981 crop production center on weather. Last year's drought lingered through the winter and, despite much beneficial rainfall in recent weeks, subsoil moisture is still short in some areas. Thus, while moisture will probably be adequate to germinate seeds and start plants growing, frequent rains throughout the growing season will be necessary to achieve high yields. Without abundant moisture during the next few weeks, crops will not be able to draw sufficient subsoil moisture to counteract dry periods during the growing season.

A review of the irrigation water situation in the West reveals a mixed pattern. The snowpack was small this winter, so runoff will be well below average. However, since most reservoirs are filled to average capacity or better, low streamflow can be largely offset by drawing down reservoirs this summer. This should help maintain output of fruits, vegetables, and other summer crops grown in the West.

Livestock farmers also face an unusual weather situation. Pastures and ranges throughout much of the South and Great Plains were hurt by drought last year and have not yet fully recovered. Without the necessary rain, the carrying capacity of these

March Planting Intentions, Final Plantings, and Harvested Acreage



ranges will be reduced. This would force many cattle to slaughter directly off grass instead of the usual trip through feedlots, disrupting beef supply patterns. Much more beef would come to market in spring and early summer than now anticipated, and less beef would be available in the fall. Cattle prices would respond to such a shift, pushing retail meat prices much higher late in the year. Furthermore, such a scenario could halt or slow the buildup in cattle herds, altering the pattern of beef supplies for the next several years. (*Don Seaborg (202) 447-8378*)

FARM INCOME

The first quarter of 1981 was sluggish for the farm economy; as a result, after inventory adjustment, net farm income probably declined somewhat from the previous quarter. Net income had previously been forecast to increase in the first quarter because of prospects for stronger livestock and crop receipts. However, a combination of domestic and global factors caused prices for most commodities to fall short of earlier expectations. Corn and soybean prices declined because of lower-than-expected export demand, a larger-than-expected Southern Hemisphere soybean and corn crop, and continuing high interest rates; however, they are still well above a year ago.

Livestock receipts were also slow to increase; lower-than-expected prices for cattle and hogs—caused in part by continuing high interest rates, larger-than-expected slaughter, and heavier-than-expected animal weights—held back increases in first-quarter receipts. Meanwhile, feed and other production expenses continued rising, thus keeping many producers in a cost-price squeeze.

1981 Net Income:

Prospects Still Better Than Last Year

Because of disappointing crop and livestock receipts, 1981 net farm income (after inventory adjustment) is now anticipated to average at the low end of the \$27 to \$32 billion range forecast last November. Increased production estimates for beef and hogs have not offset price declines, leading to lower cash receipts than expected earlier; as a result, total 1981 livestock receipts are now forecast at \$75 to \$78 billion—still 9 to 13 percent above the estimate for 1980.

Cattle receipts are now expected to rise less than a tenth from 1980, while hog and broiler receipts could be up a fifth or more. Hog receipts will reflect higher farm prices, caused in part by a projected decline in pork production. Broiler prices are expected to rise sharply as pork production declines, and this, on top of a modest rise in output, will yield receipts a fifth or more above 1980. Dairy cash receipts are forecast to rise about a tenth, as both prices and marketings will be up from last year.

Cash receipts for all crops are forecast at \$76 to \$79 billion, 7 to 11 percent above 1980. Wheat receipts are expected to rise about a fifth as production and prices increase. Cotton and tobacco receipts are each expected to rise more than a sixth because of strong prices and expected larger production. Vegetable receipts could rise about a tenth, while fruit and nut receipts rise somewhat less.

For corn and soybeans, marketings during 1981 will be mostly from the drought-reduced 1980 crops, so despite prospects for strong prices throughout the year, cash receipts for these commodities will show smaller gains from 1980 than might be expected.

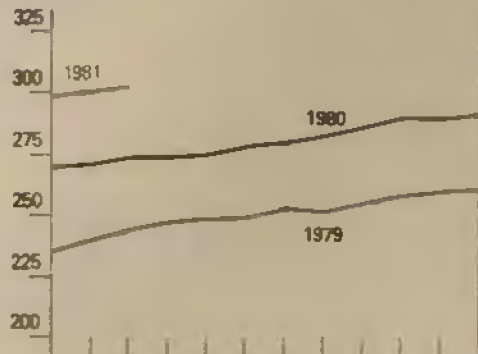
Production expenses in 1981 are forecast to rise 9 to 13 percent from the 1980 estimate. Expenses for feed, fuel, fertilizer, and agri-chemicals are anticipated to increase the most. Outlays for feed could be up 15 percent or more if feed grain prices strengthen later in the year as expected. This price increase would more than offset probable declines in livestock feeding.

1981 projected for final plantings and acres harvested.

Prime Indicators of the Agricultural Economy

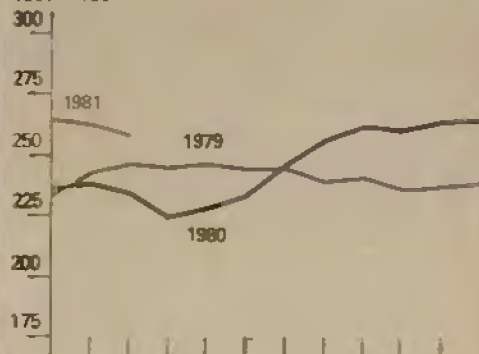
Prices Paid by Farmers¹

1967 = 100



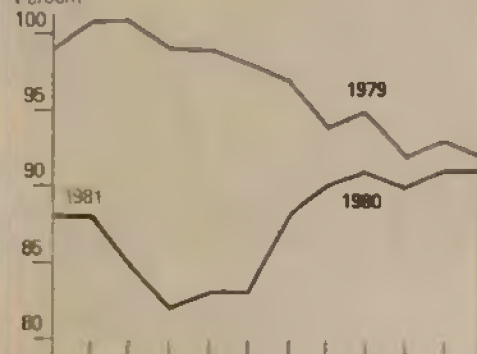
Prices Received by Farmers²

1967 = 100

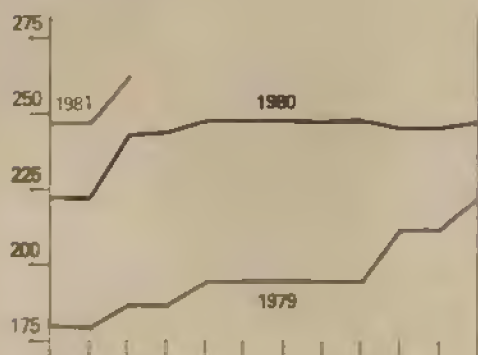


Ratio of Prices Received to Prices Paid

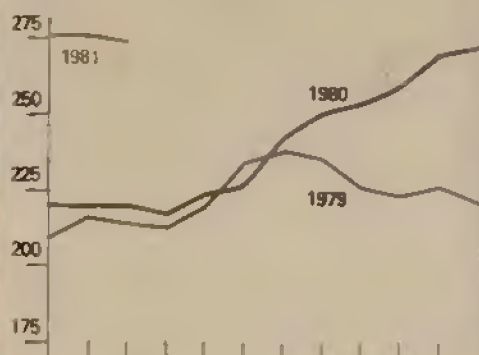
Percent



Fertilizer Prices

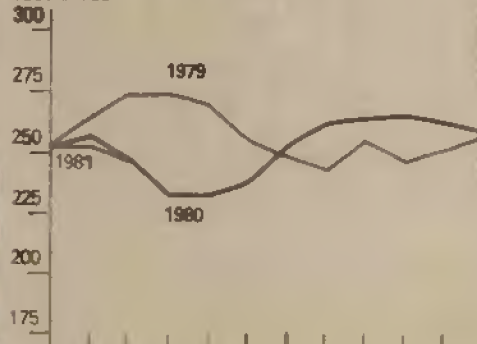


All Crops

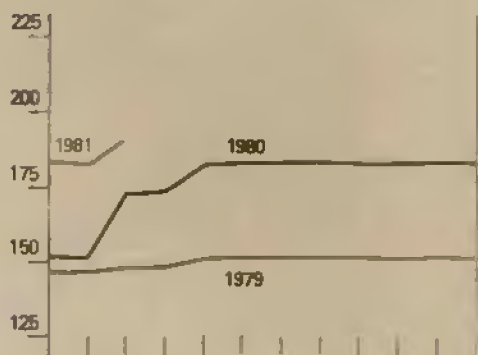


Livestock and Products

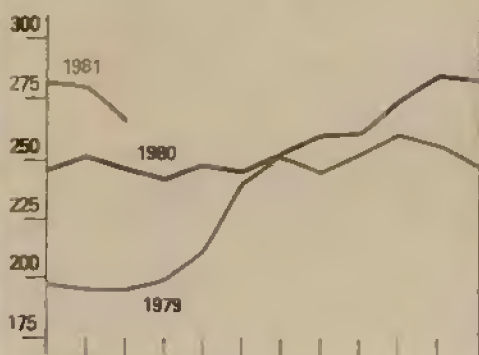
1967 = 100



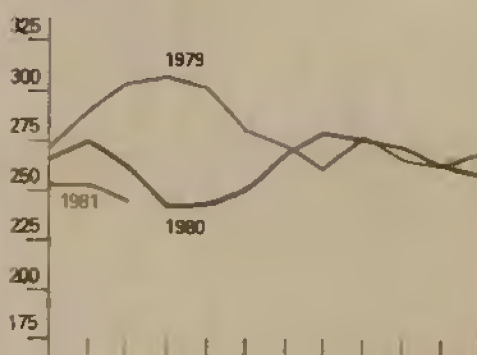
Agricultural Chemicals



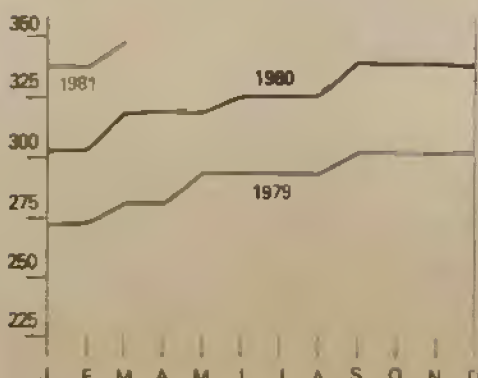
Food Grains



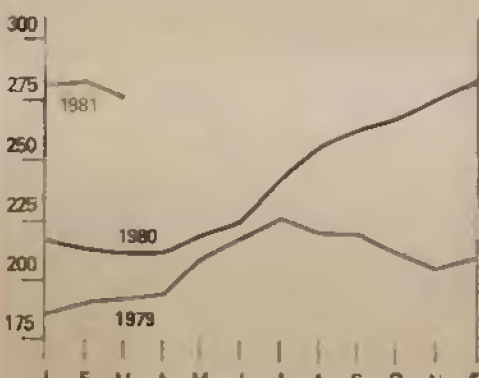
Meat Animals



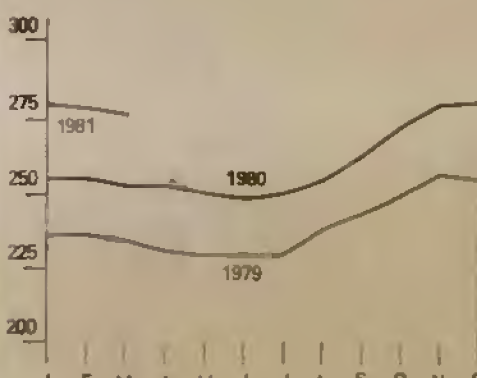
Tractors and Self-Propelled Machinery



Feed Grains and Hay



Dairy Products



¹For commodities and services, interest, taxes, and wages

All series except "Ratio of Prices Received to Prices Paid" are indexes based on 1967 = 100.

²For all farm products.

Fertilizer and agrichemical expenses likely will climb in response to increased planted acreage. Fuel costs will continue to increase even though total use may decline.

Costs of livestock purchases, hired labor, short-term interest, and real estate interest are expected to grow more slowly. Interest expenses are forecast to moderate as interest rates for Production Credit Association, Federal Land Bank, and other loans are expected to decline slightly from 1980 levels.

1980 Net Income in Review

Last year's net farm income (after inventory adjustment) is currently estimated at about \$22 billion, down from \$31 billion in 1979. Total cash receipts from farm marketings are estimated at \$140 billion, about 7 percent higher than the year before.

Crop receipts probably totaled about \$71 billion—an increase of almost 14 percent from 1979, about three-fourths of which came from corn, wheat, soybeans, and cotton. Total livestock receipts rose only slightly in 1980 to about \$69 billion; larger broiler and dairy receipts were about offset by smaller cattle receipts, while hog, turkey, and egg receipts about matched 1979 levels.

The preliminary estimate of direct government payments in 1980 is \$1.3 billion—down slightly from \$1.4 billion in 1979. Program payments for storage, feed grains, wool, and emergency conservation declined last year, offsetting increased outlays for wheat, agricultural conservation, sugar, and emergency feed programs. Payments were highest in the fourth quarter, mainly because of drought-related disaster payments.

Record export demand along with the drought-reduced 1980 crops significantly lowered farm inventories during calendar 1980. Inventories of corn, soybeans, and hay are estimated to have fallen the most. Wheat, cattle, and sheep stocks were up on January 1, but not enough to offset other inventory declines. Considering the sharp reduction in grain stocks on January 1, the total value of the change in inventories last year may be negative by about \$2 billion.

The current estimate of 1980 production expenses is \$132.1 billion, up 11 percent from 1979. Major movers were short-term interest (estimated up 35 percent), fuels and energy (up 34 percent), real estate interest (up 25 percent), and fertilizer (up 18 percent). Prices of inputs originating off the farm increased faster than farm-origin inputs, mainly on the strength of rapid increases in petroleum-based input prices and interest rates. More complete information on expenses, especially quantities of inputs used, will be available around midyear when the Farm Production Expenditure Survey data are tabulated.

Before inventory adjustment, net farm income in 1980 is currently estimated at about \$24 billion, compared with \$27 billion in 1979—a much less severe decline than the "after inventory" income figures indicate. The "value of inventory change" statistic is extremely volatile, fluctuating from a large positive value in 1979 to an expected large negative value in 1980, with a positive value again projected for 1981 if crop yields are normal. This volatility has been a major cause of the large swings in net income after inventory adjustment in recent years. (Gary Lucier (202) 447-4190)

Note: Farm income figures for 1980 will remain forecasts until the midyear tabulations from the Farm Production Expenditures Survey, which will show prices and quantities of inputs used by farmers in 1980. In addition, new and revised numbers available this spring on prices, production, and disposition of 1980 crops and livestock products, as well as commodity marketing patterns, will replace earlier cash receipts forecasts. These data will then be used to revise 1979 farm income figures and to generate estimates for 1980.

LIVESTOCK HIGHLIGHTS

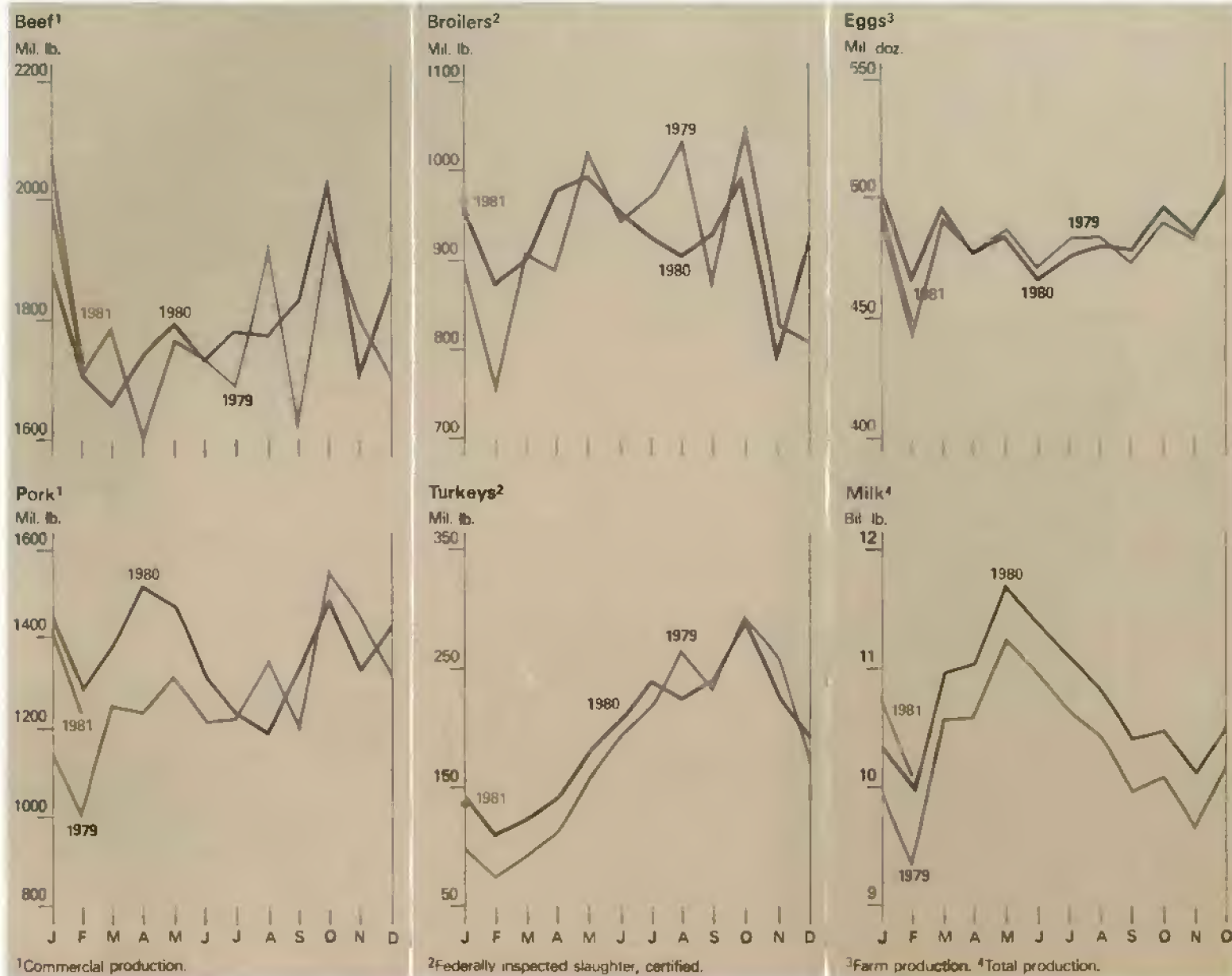
Cattle

The slow pace of feedlot marketings and consequently overweight cattle continue to put downward pressure on beef prices. Prices are unlikely to strengthen until after the supply of overweight cattle moves to market. Some heavier cattle will undoubtedly be carried into the spring quarter, increasing beef supplies and delaying the expected price advance. If feedlot marketing becomes current and nonfed slaughter declines as the spring grazing season begins, second-quarter beef production may fall 3 to 5 percent from a year earlier.

On January 1, cattle on feed in the four heaviest weight groups numbered slightly less than last year. However, in January and February 9 percent fewer fed cattle were marketed from the 7 major cattle-feeding States than a year ago. Feedlot placements in the first 2 months also trailed last year's pace. Placements and marketings during February were the lowest since 1975; the number of cattle on feed on March 1 was also the lowest since 1975.

With first-quarter beef production totaling about 6 percent above last year, cattle prices remained low despite the reduced pace of fed cattle marketing. Heavier slaughter weights and increased nonfed slaughter bolstered production in the first quarter; in fact, commercial dressed slaughter weights were record high. With the spring grazing season approaching, the rate of cow slaughter has begun to slow.

Prices of Choice 900-1,100 pound fed steers averaged about \$62 per cwt. in the winter quarter. Prices will average in the low \$70's this spring, with heavy weights holding down price gains early in the quarter. Yearling feeder cattle prices at Kansas City may average about \$71 this winter, then approach the \$80's in the spring as grazing begins and fed cattle prices strengthen. Although grazing prospects have improved, most major cattle-raising regions need additional rain before summer to restore depleted moisture supplies. (Ron Gustafson (202) 447-8636)



Hogs

Reflecting financial losses since mid-1979, hog producers have cut production. The March Hogs and Pigs report indicated that pork producers (in the 14 States surveyed quarterly) cut December-February farrowings by 11 percent. Producers also reported intentions to reduce March-August farrowings by 9 percent. Most of the December-February pig crop will be marketed in third quarter of 1981, while March-August farrowings will come to slaughter next fall and winter.

Commercial pork production in the first quarter totaled only 1 percent below a year earlier, partly because of the mild winter and above average gains. Output in the spring may be 8 to 10 percent less than the very large levels of spring 1980.

Large marketings in the first quarter held barrow and gilt prices at 7 markets to an average of \$41 per cwt., 14 percent higher than a year earlier. The lower pork production expected for the second quarter together with reduced beef supplies will boost average hog prices to a range of \$46 to \$48 per cwt. Despite these higher prices, however, producers will continue to find their profits squeezed. (Leland Southard (202) 447-8636)

Dairy

Milk production will likely climb substantially during 1981. The January 1 cattle inventory revealed that numbers of milk cows and dairy replacements for each 100 cows had risen from a year ago. Thus, even with a normal culling rate, the present dairy herd can be maintained or even expanded. However, the expected price increase for utility cows later this year and high feed prices could limit gains in cow numbers.

Milk-feed price relationships are currently less favorable than in 1980, so gains in concentrate feeding and output per cow will be limited. However, if culling rates pick up, average productivity could improve as marginal cows are removed from the herd. In addition, the improved genetics of the dairy herd will moderate the effect of lower concentrate feeding. On balance, milk production can be expected to rise 2 to 3 percent from 1980's record 128.4 billion pounds.

Production of manufactured dairy products (milk equivalent, fat-solids basis) rose about 8.2 percent in 1980, consuming about 5.4 billion pounds more milk than in 1979. Commercial use of milk and dairy products, however, dipped about 1 percent. With little change in commercial stocks, USDA last year purchased the equivalent of 8.8 billion pounds of milk—more than four times as much as in 1979. In 1981, since milk production is expected to continue rising faster than sales, USDA purchases will remain heavy. As a result, USDA stocks will continue to build, likely reaching 15 billion pounds (milk equivalent) by midyear, compared with 6.5 billion a year earlier.

The combined effects of large commercial stocks, weak consumer use, and expanded production have kept wholesale dairy product prices nearly unchanged since late November. On March 31, legislation was signed to delete the April 1 adjustment in dairy support prices. Consequently, adequate commercial dairy stocks, heavy production, and continuing lackluster sales will hold prices near present levels. Retail dairy prices are currently expected to average 9 to 11 percent above 1980. (*Clifford M. Carman (202) 447-8636*)

Broilers

Reports on weekly slaughter and chick placement in the first quarter indicate broiler output 2 percent larger than last year. In the second quarter, broiler production may expand 3 percent from a year earlier. If profits improve in the second half, total 1981 broiler production may surpass 1980 by 5 percent. (*Allen Baker (202) 447-8636*)

CROP HIGHLIGHTS

Wheat

With last fall's relatively good wheat prices and no set-aside requirements, wheat producers seeded a record 64 million acres for the 1981 winter wheat crop—6.5 million more than the previous year.

Spring wheat growers have made similar planting decisions; as of March 1, durum acreage was planned to increase 11 percent from 1980, with other spring wheat acreage down about 3 percent. Prospects for normal yields in the Northern Plains are shaky because soil moisture has improved only slightly since last year's drought.

The total U.S. wheat area in 1981 will likely reach 87 million acres, up 8 percent from 1980 and 4 percent above the previous record of 83.9 million planted in 1949. With average yields, 1981 total wheat production could be record large.

Farm wheat prices are estimated to average \$3.95 to \$4.05 a bushel this season, up from \$3.78 in 1979/80. (*Allen Schienbein (202) 447-8776*)

Rice

Strengthened by a record export pace, mid-season farm prices for rice rose to over \$13 per cwt., the highest since the record set in 1972/73. With yearend stocks forecast at below 20 million cwt.—the lowest level in 6 years—prices will likely continue strong until the new crop harvest. The season's average farm price is estimated at \$11.50 to \$12.50, compared with \$10.50 last season. In March, producers planned to expand 1981 rice acreage about 4 percent from 1980's record 3.4 million acres. (*Bruce Wright (202) 447-8776*)

Feed Grains

Feed grain markets remained relatively quiet during March. Movement of corn at country points was light as producers seemed to be awaiting higher prices. The corn and soybean bases (the difference between farm and terminal point prices) along the Mississippi River have narrowed somewhat as the river returned to near-normal levels, and the upper Mississippi is beginning to open up.

A large amount of corn remains in the farmer-owned reserve; as of March 25, it contained 847 million bushels. The last day for redeeming this corn is May 15.

In March, the estimate of U.S. corn exports was lowered 50 million bushels, to 2.55 billion, mainly because of the record coarse grain crop in Argentina. While much of Argentina's corn and sorghum will be exported to the Soviet Union, large amounts will be available for shipment to other markets. U.S. ending stocks of corn are now forecast at 616 million bushels, with corn prices averaging between \$3.15 and \$3.40 a bushel over the season. Farm prices are currently around \$3.20 a bushel. (*Walt Spilka (202) 447-8776*)

Soybeans

The U.S. soybean situation continues to be highlighted by reduced use. The soybean crush through January was 94 percent of the year-earlier level. In February, the crushing industry was running at slightly over 70 percent of capacity.

Crushing margins continue narrow, primarily because of the relatively low price of soybean oil. Since the beginning of the marketing year, soybean oil's share of crushing value has been around 32 percent—the lowest since 1972's average of 24 percent. The weakness in soyoil prices is being attributed to reduced export demand. Soyoil exports through January totaled 462 million pounds, down sharply from 798 million a year earlier.

With soybean exports also lagging far behind last year's pace, USDA has lowered its export estimate for 1980/1981 to 785 million bushels. Soybeans inspected for export through February were down 20 percent, or about 94 million bushels, from levels achieved last year. In addition, a record soybean crop is projected for Brazil, and exports of soybeans and soybean products from the Southern Hemisphere will be competing aggressively with U.S. products for the rest of the marketing year.

The season average price is still expected to be \$7.65 a bushel, up 22 percent from last season. March planting intentions indicate a drop of less than 1 percent from last spring to 69.8 million acres. (*Leslie Herren (202) 447-8444*)

Cotton

U.S. farmers have indicated plans to seed 14.5 million acres to cotton this spring, slightly below last year's level. With normal abandonment and average yields, production would likely be only slightly greater than prospective disappearance. Thus, supplies will probably remain tight during 1981/82. The U.S. stocks-to-use ratio for cotton would return to more normal levels next season only if 1981 yields are exceptionally high.

So far, farm cotton prices have averaged more than 20 percent above last season's 63 cents a pound. However, in recent weeks spot prices have weakened, running close to year-earlier levels. (Sam Evans (202) 447-8444)

Fruit

Grower and retail fruit prices will likely advance during the spring, reflecting the Florida freeze and seasonally smaller apple and pear supplies. During first-half 1981, grower prices may still average slightly to moderately below a year ago, while continued higher marketing costs keep retail prices for fresh and processed fruit moderately higher than last year.

As of March 1, prospects pointed to a citrus crop of 15.0 million tons, virtually unchanged from the February forecast but down 9 percent from 1979/80. Smaller crops are expected for all citrus except lemons and limes. Florida's citrus groves continued their post-freeze recovery, with favorable weather and generally adequate moisture. New growth formed on most trees defoliated by the January freeze, but it is too early to determine the extent of wood damage; it's still possible that the freeze damaged prospects for next season's crop.

Supplies of fresh apples and pears on February 1 were sharply above a year earlier, so grower prices are expected to remain below last year's levels. In coming months, supplies of most processed noncitrus fruit will probably remain larger than a year ago; however, because of increases in processing fruit prices and in processing and marketing costs, prices for most items will likely remain higher than last year. (Ben Huang (202) 447-7290)

Onions

The harvested area of early-crop onions in Arizona, California, and Texas is forecast at 25,200 acres, up 2 percent from 1980. Production in Texas is forecast at 3.5 million cwt., down slightly from last year.

Planting intentions for non-storage late-crop onions, at 12,100 acres, are 11 percent below 1980's acreage. For storage onions, growers (excluding California) intend to plant 54,200 acres, up 5 percent from a year ago. California growers of late-season onions—used for processing and fresh market—intend to plant 23,000 acres, 18 percent less than last year. (Jules Powell (202) 447-7290)

Potatoes

As of March 1, potato stocks in 15 major fall-potato producing States were estimated at 94.2 million cwt. This was 23 percent less than a year ago and 29 percent less than in 1979.

In the three Eastern States, stocks were estimated at 12.8 million cwt., down 34 percent from last year and 21 percent from 1979. In the six Central States, stocks were down 35 percent; and in the six Western States—where most of the processing occurs—stocks were estimated at 68.0 million cwt., down 17 percent from March 1980 and 25 percent less than in March 1979.

Because of higher prices and smaller supplies, disappearance of potatoes in the 15 major fall States—at 160 million cwt.—was 2 percent below a year ago. Potatoes processed through March 1 in the seven major States totaled 60.6 million cwt., 4 percent less than last year.

In the 15 major States, March stocks represented 37 percent of the total fall production. Idaho's stock of 38.5 million cwt. represented 49 percent of its fall crop. In Long Island, New York—a major supplier of fresh market potatoes—stocks were only 2 percent of last fall's production in that area. (Jules Powell (202) 447-7290)

Tobacco

Growers' March intentions were to set about 3 percent more acreage than the 916,000 acres harvested last season. Flue-cured acreage will probably decrease 4 percent; burley acreage may rise 16 percent. Both shifts are in line with quota changes. If yields recover to trend, this year's tobacco crop could be about 6 percent larger than last year's 1.8 billion pounds. A larger crop would offset smaller beginning stocks, keeping the 1981/82 tobacco supply about the same as this season.

On January 1, stocks were slightly below a year earlier. By the end of this marketing year (July 1 for flue-cured, October 1 for burley and other varieties), stocks should total about 2 percent below the 3.27-billion-pound carryin.

Calendar 1980's cigarette output was a record 714 billion, 1 percent above 1979. Both domestic use and tax-exempt categories gained. Annual consumption per adult remained about the same as in 1979—196 packs. Total cigarette use may remain steady this year, as population increases offset a decline in per capita use. (Robert H. Miller (202) 447-8776)

Upcoming Situation Reports

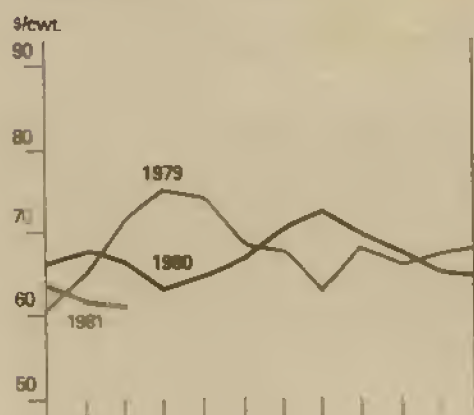
USDA's World Food and Agricultural Outlook and Situation Board will issue the following situation reports this month:

Title	Summary Released
Fats & Oils	April 28
Vegetable	April 30
Feed	May 5
Livestock & Meat	May 6
Sugar & Sweetener	May 7
World Crop Production*	May 11
Ag Supply & Demand*	May 12
Wheat	May 13
Export Outlook*	May 19

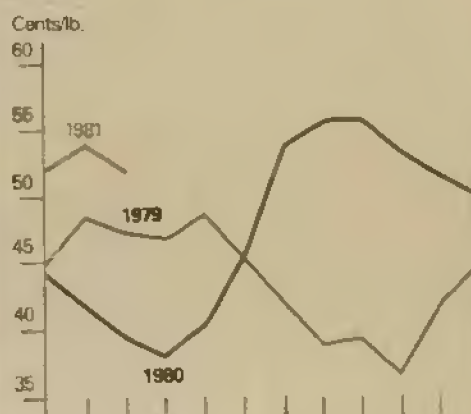
Copies of the full reports will be available a week to 10 days after the summary is released. Reports can be obtained by writing to: ESS Publications, Room 0054-South Building, USDA, Washington, D.C. 20250. *This report is issued in full on the date indicated.

Commodity Market Prices: Monthly Update

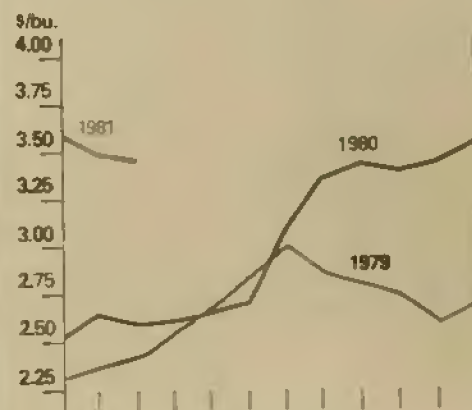
Choice Steers¹



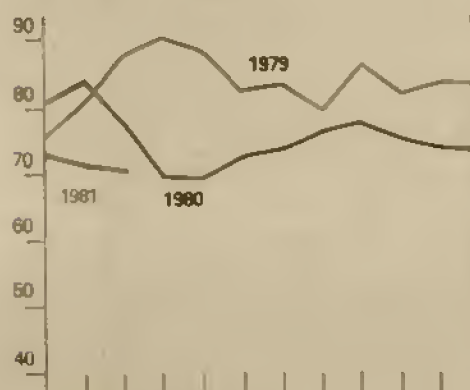
Broilers⁴



Corn⁶



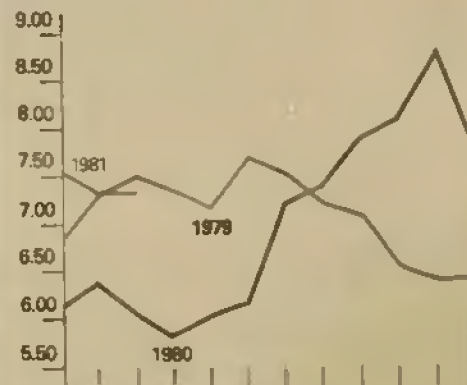
Choice Feeder Cattle²



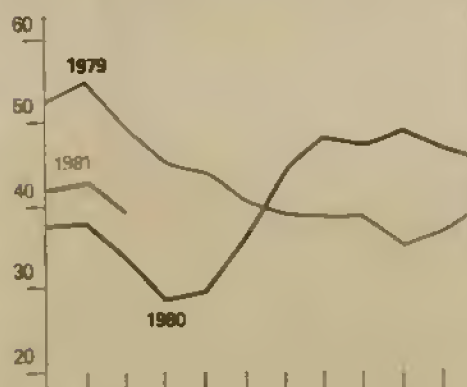
Eggs⁵



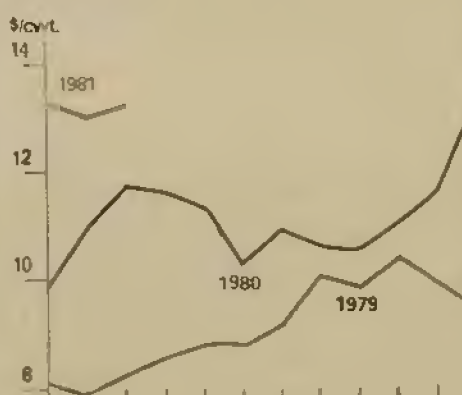
Soybeans⁷



Barrows and Gilts³



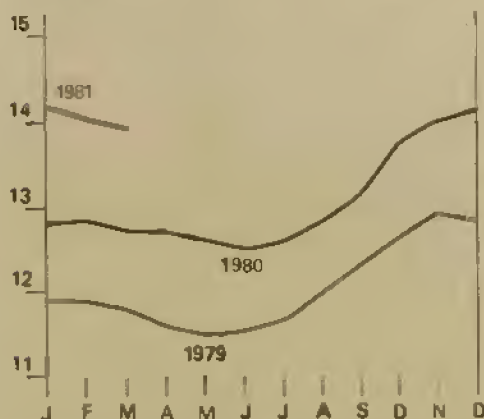
Rice (Rough)



Wheat⁸



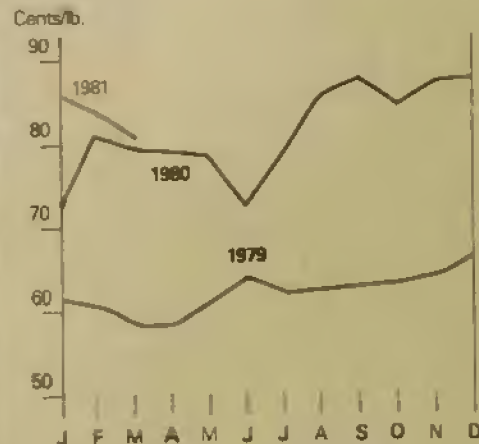
All Milk



Sorghum Grain



Cotton⁹



Prices for most recent month are mid-month prices
¹Omaha. ²600-700 lbs., Kansas City. ³7 markets.

⁴Wholesale, New York. ⁵Grade A Large, New York.

⁶No. 2 Yellow, Chicago. ⁷No. 1 Yellow, Chicago.

⁸No. 1 HRW, Kansas City.

⁹Average spot market. SLM, 1-16."



World Agriculture and Trade

THE WORLD ECONOMY:

Prognosis for 1981 Poor

The world economy faces gloomy prospects this year, with restrained growth in store for personal consumption expenditures and trade volume. Real economic growth in the developed countries, including the United States, is projected to average about 1 percent (near the rate reported for 1980). The average masks, however, a deceleration from 2.3 to 1.0 percent in the six major developed countries excluding the United States—Canada, France, Italy, Japan, the United Kingdom, and West Germany.

Most of these countries face high inflation and interest rates, large budget deficits, rising energy prices, low levels of capital investment, lagging growth in capital and labor productivity, and high unemployment rates. Most will be fighting inflation with relatively tight monetary policies.

International Economic Projections For 1981¹

	Real GNP growth	Inflation rate	Unemployment rate	Real personal consumption change
			Percent	
United States				
1979	3.2	11.3	5.8	3.3
1980	-0.1	13.4	7.2	0.4
1981 F	1.4	10.2	7.9	2.0
Japan				
1979	5.9	3.1	2.1	5.9
1980	5.0	6.3	2.0	2.1
1981	3.8	5.3	2.0	3.5
Canada				
1979	2.8	9.1	7.4	1.9
1980	0.5	10.7	7.5	0.3
1981 F	1.3	10.5	8.1	1.7
West Germany				
1979	4.5	3.9	3.2	3.2
1980	1.8	5.3	3.2	1.3
1981 F	0.0	4.0	4.3	0.9
United Kingdom				
1979	1.5	12.2	5.8	4.0
1980	-2.3	15.5	6.8	0.1
1981 F	-2.0	12.0	10.6	-0.5
France				
1979	3.3	10.9	5.9	3.2
1980	1.8	13.8	6.3	2.2
1981 F	1.0	11.8	7.6	1.5
Italy				
1979	5.0	14.8	7.5	4.8
1980	3.8	20.8	7.4	4.0
1981 F	-1.0	15.8	8.4	-0.6

¹ Foreign country forecasts are by OECD, Chase Econometrics, and Project Link; they may differ from official country forecasts. F= Forecast.

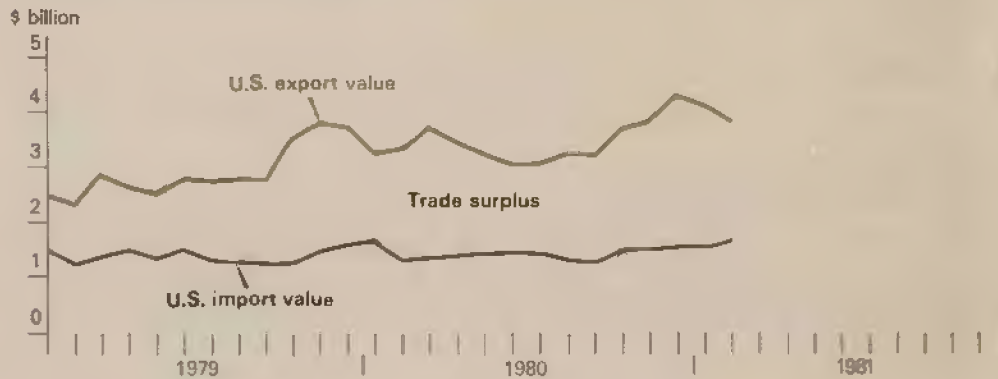
Less growth in real private consumption expenditures is predicted for all major developed countries except the United States, Canada, and Japan. Average inflation in the developed countries (excluding the United States) should fall from the 1980 rate of 11.5 percent to about 9.5, with Italy and the United Kingdom continuing to have the highest rates. Unemployment rates are projected to rise in all major developed countries this year and in early 1982, reaching historical highs in several countries.

The volume of goods exported by the developed countries as a group is forecast to rise only 2.5 percent, with imports declining slightly. However, trade is expected to be brisker in the second half of the year.

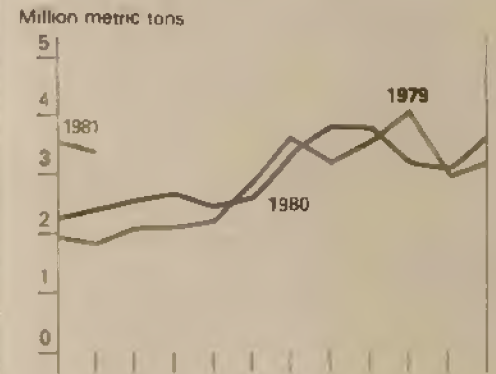
Except for the larger oil exporters, economic conditions in the rest of the world are also depressed this year. Eastern Europe faces difficult economic problems; Poland is particularly dependent on trade credits to finance imports and boost economic growth. Many developing countries are squeezed between low growth in export earnings—partly because of reduced demand by the recession-burdened developed countries—and sharply rising oil and food import bills and debt-service payments. Their need for financial and food aid will increase.

U.S. Agricultural Trade Indicators

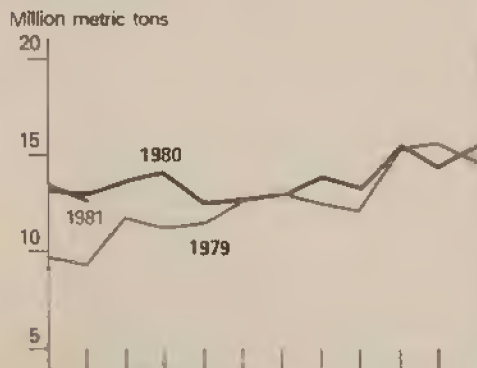
U.S. Agricultural Trade Balance



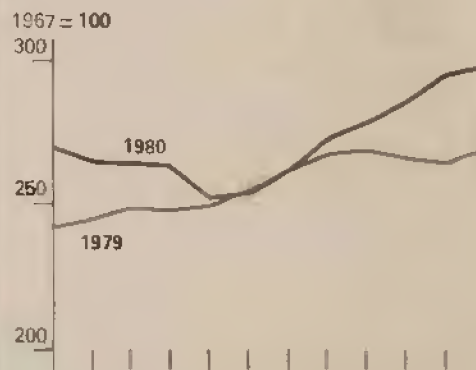
U.S. Wheat Exports



Export Volume



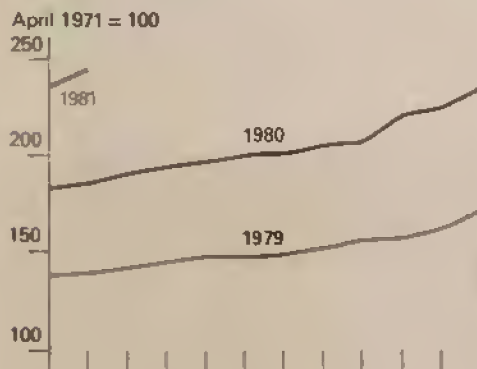
Export Prices



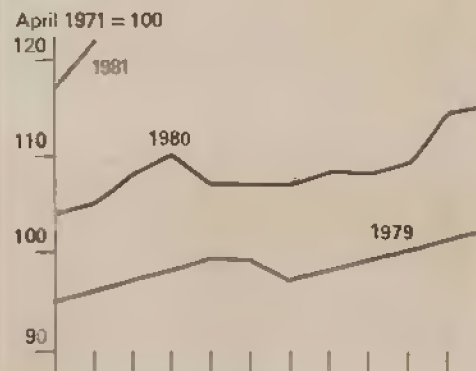
U.S. Corn Exports



Wheat Exchange Rate*



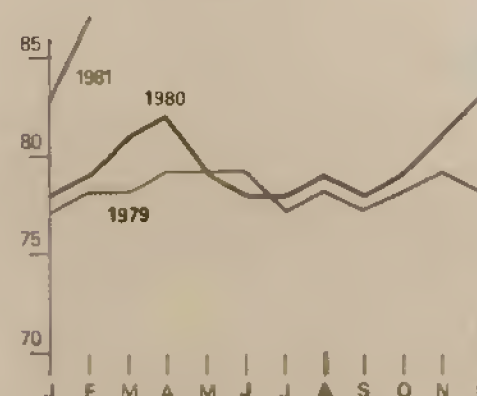
Corn Exchange Rate*



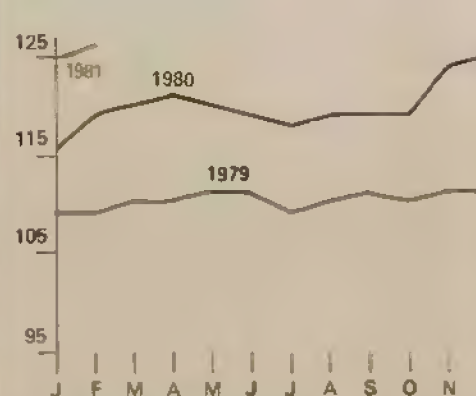
U.S. Soybean Exports



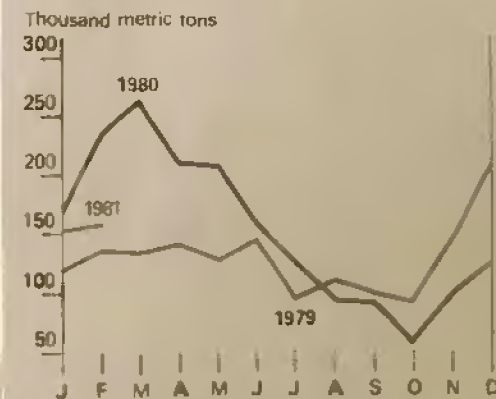
Soybeans Exchange Rate*



Cotton Exchange Rate*



U.S. Cotton Exports



*Foreign currency value of U.S. dollar, weighted by relative size of agricultural trade with the United States. An increasing value indicates that dollar has appreciated against the basket of currencies represented in that particular commodity market.

The poor prognosis for growth in trade and personal consumption expenditures abroad may dampen foreign demand for commodities, especially livestock products, feed grains, soybeans, and cotton, which are sensitive to changes in per capita income. Furthermore, any weakening of demand will be reinforced by the dollar's recent strength against many major foreign currencies. An appreciating dollar makes U.S. farm products more expensive abroad, strengthening the competitive position of other exporters in the developed-country markets.

In early 1981, the dollar has appreciated against the German mark, Swiss franc, British pound, Dutch guilder, and Canadian dollar, while falling against the Japanese yen. This may have an impact on commodities like soybeans, which are responsive to price changes in local currency.

Future U.S. Exports Depend on Current Economy

U.S. economic activity partially determines world economic growth. Increased U.S. imports stimulate economic growth in many developed and developing countries; the reverse is also true. Stagflation—slow economic growth combined with high inflation—is expected to continue in the United States this year, working to slow economic growth abroad.

The supply-side economic measures proposed by the new administration—particularly tax and government budget cuts later in the year—are not expected to provide much immediate stimulus to economic growth. They should, however, strengthen U.S. economic recovery during the second half of 1981 and in 1982. If the past is a guide, foreign economies are likely to lag 6 months or more behind the United States in reflecting improved conditions here. Hence, demand for U.S. products in general will grow slowly in 1981.

Developed Countries:

Improvement Coming Later In 1981

The situation for the developed countries is expected to improve late in the second half of 1981. World trade will probably be sluggish throughout the year, however, because of recession earlier in the year and because of increased trade restrictions in many major importing countries—especially in autos, textiles, and steel. Most of the growth in the developed countries' exports is expected to go to OPEC and the centrally planned economies; little growth is anticipated for trade among the developed countries. Except for Japan and Canada, the major developed countries will have reduced import volumes in 1981.

Japan is likely to post the highest economic growth rate of all developed countries again in 1981. Most macroeconomic forecasters expect a 3.8-percent increase in Japan's real GNP, although the official Japanese forecast is 5.0 percent. Last year's consumer price inflation of 6.3 percent may moderate, and industrial production is expected to rebound from the decline experienced in the second half of 1980.

However, Japanese exports—especially autos and steel products—face increasing restrictions in major markets. Although Japan's export volume will likely grow far more than that of any other developed country, growth will be less than in 1980. Import growth, likewise, will probably be more moderate than in 1980 but still higher than for other developed countries. Moving against the trend of other currencies, the Japanese yen has appreciated relative to the dollar, thus making U.S. goods less expensive.

Canada's economic growth will remain closely tied to U.S. developments, particularly in the major money markets and the auto and related sectors. Real growth is expected to be about 1 percent. Recent moves to boost energy prices are a major domestic issue in Canada.

In *Germany*, economic prospects have been adversely affected by a pronounced slowdown of growth in its key Western and Eastern European import markets. Germany holds much of Poland's debt and so will be affected by any rescheduling of Poland's obligations. However, Germany's trade balance should improve this year because of the low growth expected in private consumption and resulting decline in import volume. Despite tax relief, overall economic growth in Germany is projected to be zero or negative in 1981, although the economy should strengthen in the second half.

The *United Kingdom's* economy is expected to continue showing the worst performance of the major developed countries. Real growth is forecast to decline 2 percent in 1981—the second straight year of negative growth.

Despite the benefits derived from exporting North Sea oil, the British economy suffers from an overvalued currency, loss of trade competitiveness in manufactured products, and high inflation. Stringent policies to control inflation are pushing unemployment up and private consumption down. The government recently reduced its official interest rate from 14 to 12 percent, thus weakening the value of the pound, in hopes of stimulating investment and encouraging exports.

Centrally Planned Economies:

Growth Constrained

The East European and Soviet economies will be constrained in 1981 by low productivity and poor export prospects in the mining and industrial sectors, some poor 1980 crop harvests, and dependence on hard-currency trade credits for imports. For 1981 as a whole, industrial production and economic growth in the non-Soviet Council for Mutual Economic Assistance countries (East Germany, Bulgaria, Czechoslovakia, Hungary, Poland, and Romania) may inch higher than in 1980, although growth will still be slower than in 1978 and 1979.

Poland's economic growth, which was negative in 1979 and 1980, will depend on domestic political conditions and the continuation of trade credits. Poland is seeking to re-schedule part of its hard-currency debt—estimated at \$23.5 billion in 1980. For the USSR, economic growth in 1981 may be about the same or somewhat lower than in 1980, when it was about 3 percent.

Developing Countries:

Prospects Harshes For Oil Importers

The oil-importing developing countries also face serious financial constraints, and their overall economic growth in 1981 will probably be slower than last year. These countries face a widening trade gap: the cost of oil, food, and other import items will rise faster this year than export earnings, which will be held down by sluggish demand in the developed countries.

Financing imports will be difficult for these countries because the level of aid flow has stagnated, and commercial borrowings are leveling off because of high interest rates and lender wariness. Moreover, many of the developing countries' foreign exchange reserves are low compared with the value of imports. Over the last 3 years, nine developing countries have had to negotiate formal debt reschedulings; many others have fallen behind in payments and are facing capital flight because of political and economic problems.

The oil-importing developing countries face oil import bills exceeding the \$60 billion spent in 1980. Each \$1-per-barrel increase in the price of petroleum raises these countries' oil bills by \$2 billion. Debt-service payments in 1981 will exceed the \$68 billion paid in 1980.

The economic and financial situation will be most precarious for the poorest countries, especially in Africa. There, food aid needs will escalate as foreign exchange for commercial food imports dwindles at a time when drought and refugee problems have exacerbated food shortages. Only a handful of the highest income developing countries will be able to readily finance larger agricultural imports from the United States. [Eileen M. Manfredi (202) 447-8712]

Upcoming Crop Reporting Board Releases

The following list gives the release dates of the major Crop Reporting Board reports that will be issued by the time the May *Agricultural Outlook* comes off press.

April

21	Eggs, Chickens & Turkeys
23	Grain Stocks
	Rice Stocks
	Egg Products
24	Livestock Slaughter
	Peanut Stocks & Processing
	Sugar Market Statistics
29	Commercial Fertilizers
30	Agricultural Prices

May

1	Poultry Slaughter
	Dairy Products
8	Vegetables
11	Crop Production
13	Milk Production
14	Potato Stocks
	Cattle on Feed
20	Cold Storage

To start receiving any of these reports, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250. Ask for the report(s) by title.

For the Latest on 1981 Crops...

As the spring planting season progresses, the Crop Reporting Board will soon be publishing the first official estimates of acreage, yield, and production for 1981 crops. To help *Agricultural Outlook* readers anticipate the most significant of these upcoming estimates, the major contents of the *Crop Production* reports for May and June are detailed below.

May 11

Indicated area harvested, yield, and production by classes as of May 1 for winter wheat; indicated area harvested, yield per acre, and production of spring potatoes; indicated production of 1980/81 citrus fruits, peaches in nine Southern States, and almonds. Includes revised estimates on 1980/81 cotton and tobacco crops. Also gives the status of hay stocks on farms and conditions of pastures and ranges.

June 10

Winter wheat indicated area harvested, yield, production, and production by classes as of June 1; indicated production of peaches, Bartlett pears (Pacific Coast States), cherries (Western States), apricots, nectarines, plums (California), prunes (California), almonds, and 1980/81 citrus fruits; area harvested, yield, and production of spring potatoes. This month's report also gives revised figures on 1980 sugarbeets and sugarcane.

To order a single copy of *Crop Production*, or to be placed on a mailing list for the report, send your name, address, and zip code to: Crop Reporting Board, USDA, Room 0005-South Building, Washington, D.C. 20250.



General Economy

The strength of recovery from the 1980 recession continues to exceed expectations. A mild downturn in the second quarter is still a possibility, but it now also seems possible that no decline in real GNP will occur in the first half of 1981. The first quarter of 1981, buoyed once again by consumer spending, is now expected to show real GNP growth of 2 to 4 percent (annual rate). For the entire year, real income may grow 1.5 percent—modest by historical standards, but sharply above 1980.

Consumer Spending Strength Pulls Saving Rate Down

Retail sales in January were even stronger than the 2-percent rise reported earlier, climbing 2.9 percent from December 1980. In February, led by a 1.6-percent increase in auto sales, retail sales scored an 0.9-percent gain. The February pickup in auto sales mainly reflects the influence of company-offered rebates, however, and probably does not signal any lasting upward sales trend.

This consumer spending strength is somewhat surprising considering that real incomes are relatively stagnant—partly because of the increased Social Security tax that took effect on January 1. Apparently, consumers have maintained their spending by saving less. Saving as a percent of disposable income fell from 5.1 percent in December to 3.9 percent in February, adding about \$25 billion (annual rate) to consumer spending.

This low rate of consumer saving is probably not sustainable, however, and consumer spending may be further restrained as the rate of saving increases.

The 10-percent tax cut, planned for later this year, would add about \$2.25 billion a month to consumers' incomes. Although there is some debate on how much of the additional income would be saved, there is little doubt that total consumer saving would increase.

Industrial production rose 0.6 percent in January, but then fell back 0.5 percent in February. Although production has climbed steadily since the low point reached last July, it still has not recovered to levels reached in late 1979.

Productivity Declines

Taking Their Toll on Real Income

Real disposable income will likely decline in coming months, in part because of rising energy prices as well as decreasing productivity. Historically, increases in productivity (output per worker) have been the primary force pushing up real incomes in the United States. Productivity problems began to appear in the mid-1960's, when annual increases slowed to about 2 percent from the previous post-war average rate of 2.5 percent. Productivity gains continued to slow through the early 1970's and then—for the first time since World War II—productivity declined for 3 straight years in 1978, 1979, and 1980.

The recent declines are particularly discouraging since they occurred during the initial stages of an economic recovery. During this stage of the business cycle, productivity usually increases rapidly as output climbs faster than employment.

Although not completely understood, the disappointing performance of productivity is generally attributed to the following factors: 1) reduced growth of capital relative to labor; 2) government regulations and imposed costs for safety and environmental controls; 3) less spending for research and development; 4) rapidly rising energy prices, causing a substitution of labor for energy-intensive machinery; and 5) demographic impacts related to the rapid increase in employment of relatively unskilled and inexperienced youth and women workers.

The Goal:

Lowering Inflation By Raising Productivity

The new administration hopes to increase productivity by decreasing government regulations and stimulating investment. However, it takes several years for new investment to have a sizable impact on productivity since only a small portion of the existing stock is replaced in any one year. Thus, these policies are not viewed as a short-run quick fix for stagflation but rather as a long-term solution.

Increases in unit labor costs, caused by wage gains in excess of rises in output per worker, are rapidly incorporated into product prices. Since labor costs represent about two-thirds of production expenses, any factor that offsets these costs mitigates pressure for price increases. Unless businesses increase their profit margins, the slower rise in costs that higher productivity brings will thus translate into smaller price increases. If workers then accept smaller wage increases as price rises slow, business costs will climb still more slowly, and the cost-push inflationary spiral will begin to unravel.

Over the next few years, business investment and defense spending will be the primary driving forces in the economy. Any increase in the investment share of GNP must, however, be accompanied by a corresponding increase in the saving share of GNP. Surpluses in the Federal budget, used to retire existing debt, would be one potential source of financing additional investment.

Interest Rates and Interest Income

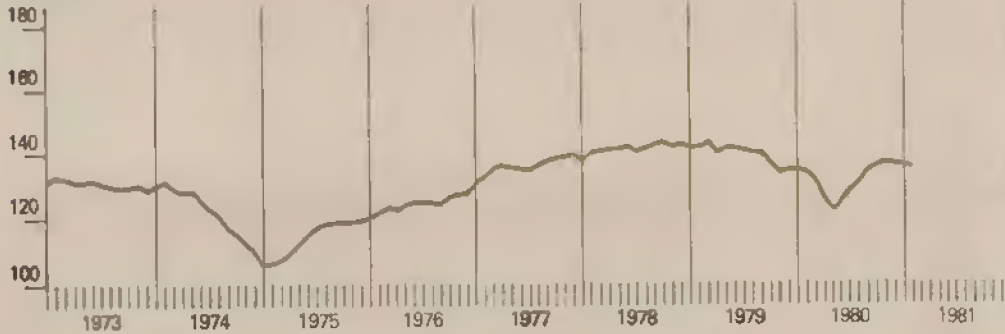
Interest rates are expected to continue downward for the near term but will not likely reach last year's low. They will likely rise again in the fall as economic growth begins to accelerate.

Although high interest rates are generally associated with increased costs of borrowing, they have also become an important source of income to a growing number of consumers who put their liquid assets into high-yielding money market funds. Interest income, as a percentage of total personal income, increased by more than a third between 1977 and 1980—from 8.8 to 11.9 percent. (Randy Zeitner (202) 447-2317)

General Economic Indicators

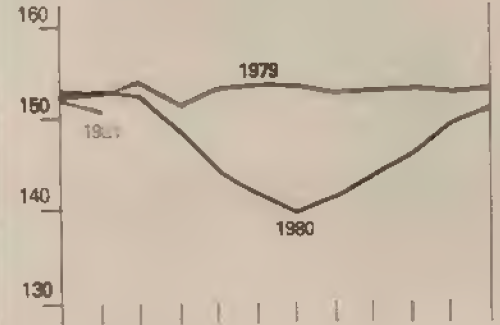
Composite Leading Economic Indicators

1967 = 100



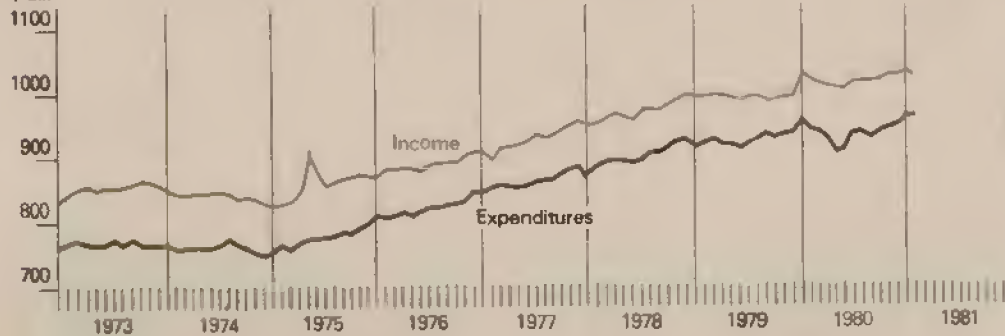
Industrial Production

1967 = 100



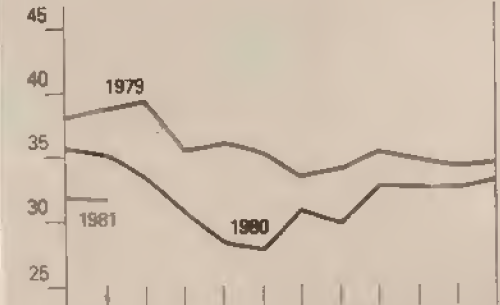
Disposable Income and Consumption Expenditures^{1,7}

\$ bil.



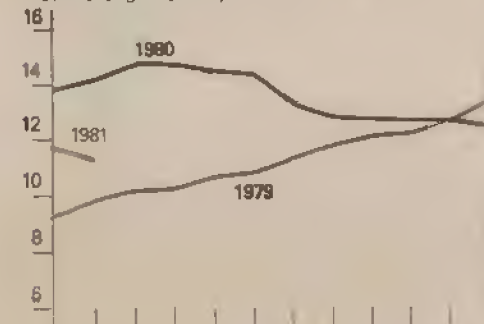
Manufacturers' Durable Goods Orders²

\$ bil.



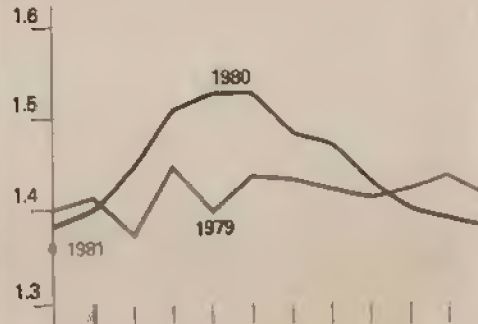
Consumer Price Index

Percent change from a year earlier



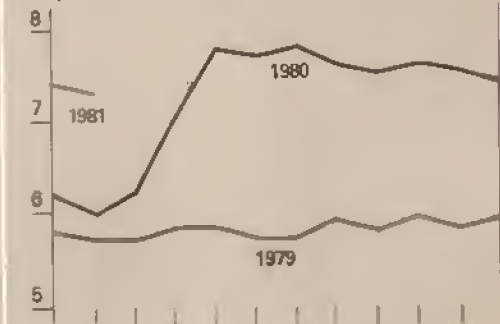
Inventory/Sales³

Ratio



Unemployment⁴

Percent of all civilian workers



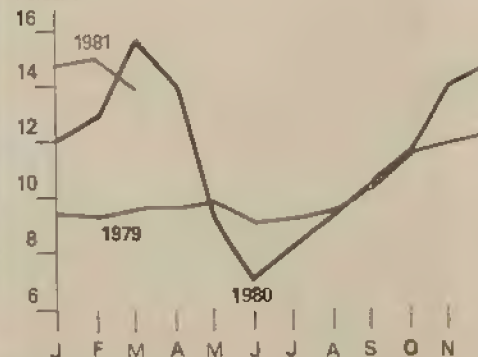
Money Supply (M1-B)⁵

Percent



Treasury Bill Rate

Percent



Savings Rate^{6,7}

Savings as percent of disposable personal income



¹Billions of 1972 dollars, seasonally adjusted at annual rates. ²Billions of 1967 dollars (Current dollars deflated by seasonally adjusted producers price index for capital goods). ³Manufacturing and trade, seasonally adjusted at annual rates. ⁴Seasonally adjusted. ⁵Annual rate of change in 3-month moving average.

⁶Calculated from disposition of personal income in 1972 dollars, seasonally adjusted at annual rates. ⁷Estimate for December. Sources are the U.S. Department of Commerce, the U.S. Department of Labor, and the Board of Governors of the Federal Reserve System.



Food and Marketing

Food Prices To Rise Faster In Second Quarter

As total meat supplies decline in the second quarter, retail prices will begin to increase sharply. Although ample poultry supplies are in prospect, consumer demand will strengthen as purchases shift from higher priced meats, thus putting upward pressure on retail poultry prices.

Fresh vegetable prices will likely remain high until vegetable acreage replanted after the Florida freeze is harvested in May and June. In the second quarter, vegetable prices will advance much more slowly than in the first quarter. However, fresh fruit prices will rise faster in the second quarter as citrus supplies decline seasonally and apples and pears are drawn from storage.

In the first quarter, retail food prices should show a rise of about 2.4 percent from fourth-quarter 1980, averaging about 10.5 percent above a year earlier. Prices rose substantially for fruits and vegetables as well as fats and oils, while increases for red meats were relatively small.

Florida's January freeze caused sharp price increases for winter vegetables and frozen concentrated orange juice. The higher retail prices for fats and oils were due to a scarcity of peanut butter—the result of last summer's drought-reduced peanut crop.

The overall first-quarter increase in retail food prices was dampened by only slight rises in meat and poultry prices, brought on by large supplies.

Higher Meat and Poultry Prices Dominate the 1981 Outlook

Retail food prices in 1981 are still forecast to increase 10 to 15 percent from 1980's average; current indicators suggest a rise of nearly 12 percent. The farm value of foods will account for nearly a third of this increase, while marketing costs will account for about half. Higher red meat and poultry prices will have the most significant impact, because these items account for nearly 35 percent of consumer food expenditures.

Because of higher production costs, particularly interest rates and feed grains, farmers will likely reduce production of red meats. Pork production is expected to be 6 to 8 percent below 1980, with beef output remaining near the 1980 level. Sharpest year-to-year reductions will begin in the second quarter. Poultry production is forecast to rise, but not enough to offset the decline in pork supplies. As a result, total red meat and poultry supplies will be lower than last year, pushing retail prices for the year up 12 to 14 percent.

Fed cattle prices have been lower than forecast so far in 1981 and are several dollars below a year ago. Retail prices have not fully reflected these lower prices, however, because the farm-to-retail price spread is much wider than last year.

Preliminary data indicate that in March the farm-to-retail spread had increased about 10 percent since October 1980 and was 16 percent higher than a year ago. This increase reflects rising costs faced by the food industry. Moreover, the price spread generally widens when livestock prices decline and narrows when prices rise, partly because of time lags in retail price and cost adjustments. Over the last year, wages of workers and prices of nonfarm materials and services used in food retailing, wholesaling, and processing have risen 12-1/2 percent on average, accounting for much of the increase in the farm-to-retail price spread for Choice beef.

The spread for pork widened in late 1980 and early this year from the relatively low level of mid-1980. In March, the spread was 7 percent higher than 6 months ago and 4.5 percent above a year earlier. The farm value of pork declined moderately in March as supplies increased, but nevertheless stood 17 percent above last year's relatively low level.

Large beef supplies led to more promotion and retail price specials of beef in early April, which probably resulted in lower average retail prices and farm-to-retail price spreads for beef. Since livestock prices are expected to rise in the second quarter, price spreads for beef as well as pork may be squeezed. Meanwhile, marketing costs are expected to continue rising near the general inflation rate of 10 to 12 percent.

Other Food Prices Also Headed Upward

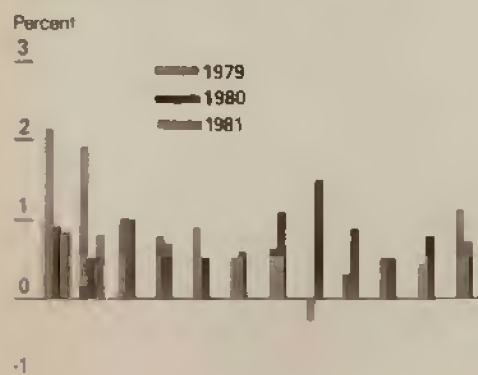
Retail fruit and vegetable prices are also expected to be higher. Smaller acreage for processing vegetables, coupled with the Florida freeze, will push retail fruit and vegetable prices up an average of 11 to 13 percent. Nevertheless, large supplies of apples, pears, and California oranges are moderating the increase in fresh fruit prices, which are forecast to rise less than processed products and fresh vegetables.

The poor 1980 peanut crop has sharply reduced supplies of peanut butter and peanut oil. Higher prices for these items will increase the fats and oils component of the Consumer Price Index.

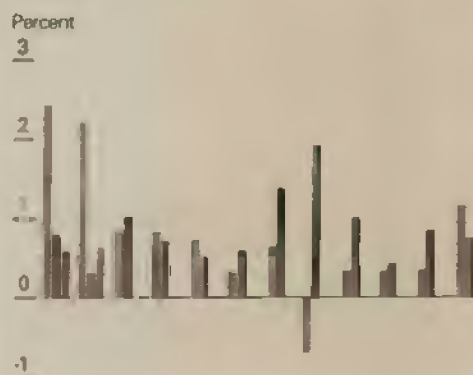
Retail prices for sugar and sweets are expected to increase 15 to 18 percent this year. Although prices fell recently, they remain well above a year earlier. Two years of poor crops worldwide have reduced global sugar stocks and raised prices. Higher sugar prices will also affect products such as candy, soft drinks, cereals and bakery products, ice cream, and canned fruits. [Ralph Parlett (202) 447-6860].

Food and Marketing Indicators

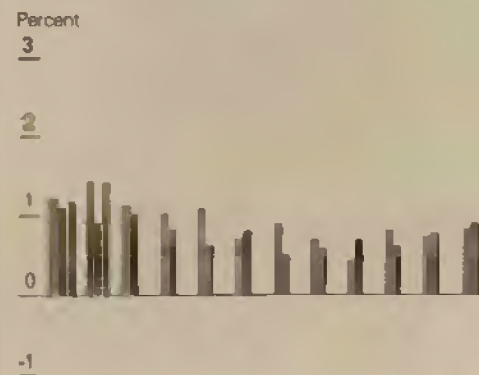
CPI: Total Food[○]



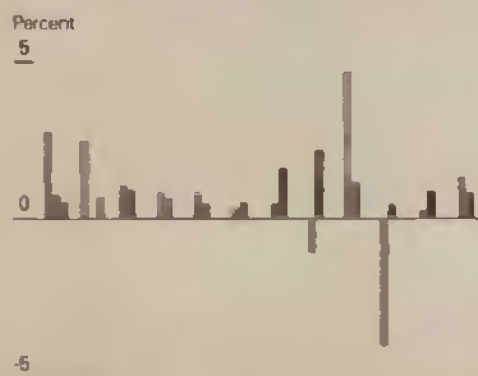
CPI: Food at Home[○]



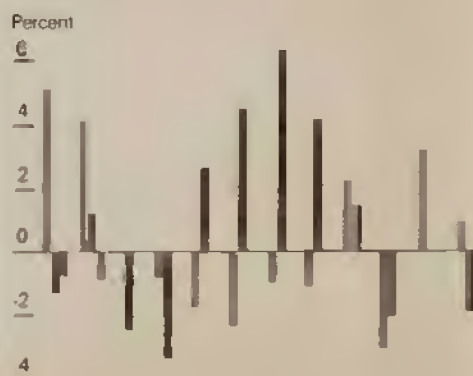
CPI: Food Away from Home[○]



Farm Food Market Basket, Retail Price



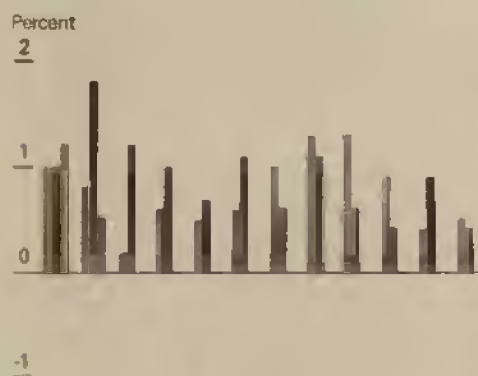
Farm Value



Farm-to-Retail Spread



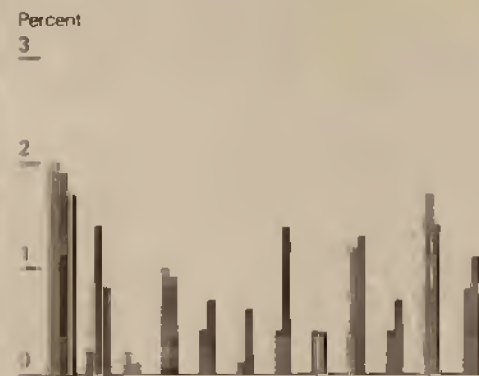
Imported Food and Fishery Products



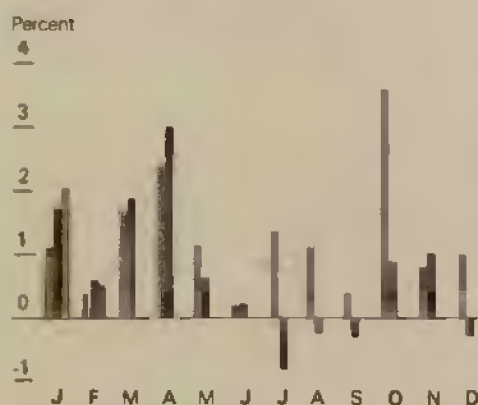
Marketing Cost Index



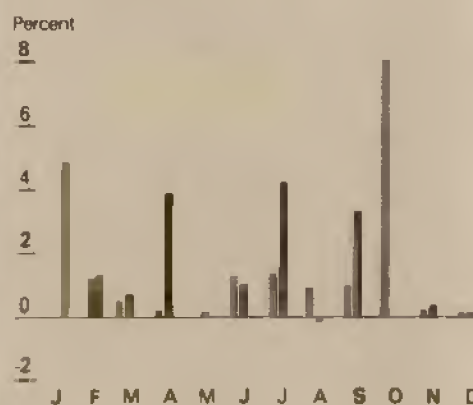
Labor Cost



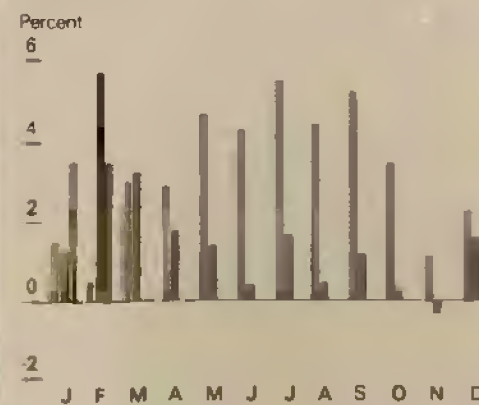
Packaging Cost



Rail Freight Rates



Energy Rates



[○]CPI unadjusted.

All series expressed as percentage change from previous month.



Inputs

FERTILIZER OUTLOOK:

Consumption Set To Rebound

Increased consumption and lower-than-expected phosphate prices highlight the fertilizer outlook for the spring. Continued strong demand for crops should increase fertilizer consumption, possibly boosting this year's domestic use to a record level.¹

Larger planted acreage of wheat and heavier applications on corn may push nitrogen use to 11.6 to 11.9 million tons—2 to 4 percent above 1979/80 levels. Potash use will likely reach a record 6.3 to 6.5 million tons; phosphate use could match the 1976/77 record of 5.6 million tons. Total nutrient consumption could reach 24 million tons, up about 4 percent from last season.

Early in the current fertilizer year, several factors slowed domestic movement of fertilizer. Drought reduced use in certain areas. High interest rates discouraged distributors and retailers from replenishing supplies for the 1980/81 season, raising concern about localized fertilizer shortages this spring. Also, low water on the Mississippi River caused transportation delays. Finally, crop prices lagged behind earlier expectations.

¹ Fertilizer year is July 1 through June 30.

Several of these problems no longer cause as much concern. Rains in winter wheat areas, the Corn Belt, and the Southeast have improved yield expectations, boosting prospects for fertilizer use. Now that precipitation has raised the water level, barge traffic on the Mississippi has almost returned to normal.

Crop/fertilizer price ratios for corn and soybeans this spring should be higher than a year earlier. The corn/fertilizer ratio may be comparable to 1979. Ratios for cotton are looking less favorable to fertilizer use than in 1980. Generally, ratios for wheat are as favorable as in the last 2 years.

Last year's shortage of credit is not likely to be repeated this spring, but credit will be expensive.

Rising Production Will Slow Price Increases

This year, fertilizer price increases are not expected to match last season's 24-percent rise. A large phosphate carryover and large production of all nutrients will slow price increases. By May, 1981 farm prices for fertilizer are forecast to average 9 to 11 percent above a year earlier and 10 to 12 percent above December 1980. Price increases from December 1980 to May 1981 could range from 13 to 16 percent for nitrogen, 5 to 6 percent for phosphate, and 8 to 11 percent for potash.

Prices will rise in response to strengthening demand and increasing costs of production, distribution, and retailing. Nitrogen and phosphate prices are now rebounding from a May-December decline caused by contracting domestic demand. In March, anhydrous ammonia prices were up 10 percent from December 1980 and 6 percent from a year ago. Diammonium phosphate prices were 3 percent above December 1980 but still 3 percent below a year earlier. Potash prices steadily rose throughout last year because of sustained strength in the world market. In March, prices were 7 percent higher than in December 1980 and 13 percent higher than a year earlier.

Nitrogen Prices Also Reflect International Developments

Nitrogen prices have strengthened because of renewed domestic demand resulting from increased grain acreage and improved planting conditions. International market conditions also have contributed to recent nitrogen price hikes. The spot export price of anhydrous ammonia at U.S. Gulf ports rose 49 percent from early December 1980 to the end of March. Such an abrupt increase in world markets will eventually influence domestic retail prices because of the United States' large role in world nitrogen trade.

Factors contributing to the recent gains in international nitrogen prices include:

March Fertilizer/Crop Price Ratios

Crop and Years ¹	Ammonia (NH ₃)	Diammonium phosphate (DAP)	Potash (KCl)
Bushels or Pounds needed to buy 1 ton			
Corn			
1979	77	90	48
1980	95	124	56
1981	77	91	48
Cotton			
1979	320	372	200
1980	353	458	208
1981	360	426	225
Soybeans			
1979	24	28	15
1980	39	50	23
1981	34	40	21
Wheat			
1979	58	67	36
1980	63	82	37
1981	62	73	39

¹ Fertilizer use Years ending June 30 of indicated year.

U.S. Farm Prices for Fertilizers

	March 15, 1980	December 15, 1980	March 15, 1981
		dollars per ton	
Anhydrous Ammonia	229	220	243
Urea	221	222	237
Diammonium phosphate (DAP)	297	278	287
Concentrated Super- phosphate (TSP)	247	242	248
Muriate of Potash (KCI)	135	142	152

- higher hydrocarbon feedstock costs caused by OPEC price increases, curtailed petroleum production by Iraq and Iran, natural gas price increases in Europe (especially the Netherlands and the U.K.), and U.S. petroleum deregulation;
- prolonged strikes at ammonia plants in Trinidad-Tobago (an important exporter to the United States and Europe);
- urea production shortfalls in Mexico and Indonesia, forcing them to import rather than export urea;
- aggressive Soviet negotiations to increase ammonia contract prices for delivery to Europe and the United States;
- larger Indian purchases of urea and diammonium phosphate due to feedstock shortages and other domestic production problems;
- recent, large Chinese purchases of urea; and
- urea production lost because of the Iraq-Iran war.

Fertilizer Supplies:

Less Nitrogen, More Phosphate and Potash Stocks of fertilizer materials at the beginning of the season were larger than a year earlier because consumption in 1979/80 had been weaker than expected. In addition, 1980/81 production of most products has exceeded the previous year.

During July-December 1980, anhydrous ammonia production surpassed year-earlier levels by 2 percent. Likewise, urea production increased 10 percent, and ammonium nitrate 7 percent. Output of diammonium phosphate and wet-process phosphoric acid climbed 6 and 12 percent, respectively. Combined U.S. and Canadian potash production was up 5 percent.

From July 1980 through January 1981, imports of anhydrous ammonia rose 16 percent from a year earlier, mainly because of larger shipments from the Soviet Union, which now accounts for over half of total U.S. ammonia imports.

After 7 months, exports of urea were up 68 percent; diammonium phosphate, 40 percent; and nitrogen solutions, 87 percent. The record-setting nitrogen exports combined with larger domestic shipments to offset higher domestic production. As a result, nitrogen stocks at the end of January were slightly below a year earlier.

Phosphate exports remained high despite the embargo on shipments to the Soviet Union. Shipments to other countries held phosphoric acid exports at about year-earlier levels. Greater volumes of diammonium phosphate account for most of the growth in phosphate exports, with shipments increasing to India, Pakistan, China, Turkey, and Mexico. However, exports did not compensate for reduced domestic shipments; therefore, phosphate inventories are building up. Stocks held by U.S. producers at the end of January were 16 percent above a year earlier.

Through January, potash imports were running about 4 percent behind the previous year, reflecting diminished U.S. demand last fall. With higher production and lower demand, potash inventories climbed. Combined U.S. and Canadian inventories in January were up 32 percent from the previous year's sparse level. [Paul Andrienas (202) 447-7340]

WATER SUPPLY OUTLOOK

As of late March, the surface moisture of winter wheat fields in the Central Plains had improved, helping to reduce the soil's susceptibility to wind erosion. However, subsoil moisture was low to very low across the Great Plains. Between January 1 and March 1, over 4.1 million acres in the Great Plains were damaged by wind.

The spring rains and above-normal temperatures have encouraged germination and growth of fall-seeded crops as far north as Montana. March rains helped alleviate drought conditions in the central High Plains, but subsoil moisture is still very short in the Plains States, much of the Mississippi Valley, and the eastern seaboard.

Crop production in the West is highly dependent on irrigation, usually from reservoirs or by direct streamflow coming mainly from the melting mountain snowpack. Prospects for adequate runoff from Western watersheds this spring are poor.¹ More than 85 percent of the snow season has passed, and in March the snowpack was less than 50 percent of normal. There is virtually no chance that enough snow will fall to replenish this deficit.

Fortunately, reservoir storage throughout the West is generally adequate. This storage will help alleviate streamflow deficiencies in some areas, but not for farmers who rely on direct streamflow for irrigation. Streamflows in Colorado, Utah, and Nevada could dwindle to the record lows of 1977. Western water users should be aware that a below-average snowpack next winter could affect water availability in the summer of 1982. [William C. Fecke (202) 447-8578]

¹ Streamflow forecasts are made jointly at 500 western U.S. locations by USDA's Soil Conservation Service and the National Oceanic and Atmospheric Administration's National Weather Service in the Department of Commerce.



Agricultural Policy

THE 1981 FARM BILL

Hearings Begin on Capitol Hill

The Food and Agriculture Act of 1977 expires with the 1981 crop year, and a majority of major farm organizations have now testified before the Senate Committee on Agriculture, Nutrition, and Forestry. One main theme surfaced from these hearings: less government involvement in the agriculture sector, especially in the area of farm exports.

Nearly every witness opposed continuing the sales suspension to the Soviet Union, although a few thought it would be acceptable to continue the embargo if it were across-the-board. Most groups wanted a provision in the 1981 farm bill that would automatically raise loan levels in the event of future embargoes. Some opposed any future bilateral agreements, except with the USSR. However, a proposed CCC export-credit revolving fund found wide support.

Those who testified agreed that while the 1977 law has worked well, it does need some adjustment. All groups favored increasing loan levels, but not so high as to encourage excess production. Some wanted to use the parity index to determine loan levels, while others preferred revising the cost-of-production formula now used.

Most favored the farmer-owned reserve but asked for higher call levels. However, some also felt the number of changes in reserve price levels per year has been excessive, and that future changes should be held to a minimum.

Target prices were also the subject of debate. Many groups believed target prices have not been effective and are not really needed. Others believed they act as a "safety net" for farmers.

Most of the farm organizations stated that the new crop insurance program has not yet been fully explained or implemented in the authorized counties. Therefore, they believe some type of disaster payment program will be needed for the next few years.

Many witnesses opposed continuing the normal crop acreage and set-aside provisions, preferring a voluntary paid land-diversion program. They told the Committee that compliance and cross-compliance requirements should be abolished. All testimony thus far emphasized that more funding for basic agricultural research is needed to improve productivity and develop additional methods to alleviate soil-erosion problems.

The House Committee on Agriculture has held hearings concurrently with the Senate on 1981 farm legislation. Many of the same groups appeared before both the Senate and House Committees. Now that the administration has set forth its proposals, the major steps remaining toward developing the new legislation are subcommittee and committee mark-up, final committee action, and action by the full Houses of Congress. Both the House and Senate Agriculture Committees will need to report legislation to their respective floors by May 15.

Dairy Programs:

A Focal Point For Debate

Because of the legislation to eliminate semi-annual adjustments of milk support prices, the dairy industry became a focal point early in the hearings. While dairy organizations recognize the current surplus problem, they believe its main cause is low grain and cattle prices, which shift resources to the dairy industry.

The dairy groups proposed a flexible price support system to replace the currently mandated 80 to 90 percent of parity. This system would have a price support level of 75 to 90 percent of parity; the Secretary of

Agriculture would estimate CCC dairy purchases for the coming year, and the price support would be set inversely to the purchase level.

However, dairy groups identified four conditions they felt had to be met before they could support the flexible program: 1) denial of the petition currently with the Secretary that would allow reconstituted milk to be priced lower than Class I milk; 2) curbing milk-protein imports; 3) raising the CCC sellback price from its current level of 105 percent of the purchase or market price, whichever is higher, to 110 percent—forcing companies to hold their own short-term milk inventories and not use the CCC for such storage; and 4) readjusting plant-cost estimates used to determine butter, cheese, and nonfat dry milk purchase levels to reflect recent increases in energy, equipment, and packaging costs.

Backdrop to the Debate:

The Basic 1949 Legislation

What would happen to farm program legislation should Congress not extend the 1977 Act or fail to enact new legislation to replace it? Much of the legislation guiding program decisions would revert to statutes and provisions first implemented in the 1940's; other programs would expire completely (see accompanying table).

The payment limitation provision of the 1977 Act would expire with the 1981 crop if no action is taken. For producers of wheat, feed grains, cotton, and rice who participated in the 1980 and 1981 commodity programs, this title limited maximum individual payments to \$50,000. Payments for crop loss resulting from natural disaster originally were excluded from the limit, but in 1980 a limit of \$100,000 per person was imposed.

Dairy price support provisions would also revert to permanent legislative authority. Since passage of the 1977 Act, price support for milk has been maintained at 80 percent of parity. If this provision is not renewed, the minimum support price would fall to 75 percent of parity. Also, the semi-annual adjustment in support prices would no longer be required.

Wheat program legislation would not expire, but would instead revert to the 1949 legislation. Under that basic legislation, the Secretary of Agriculture would decide if the wheat supply in the coming year is excessive, and would announce marketing quotas by

April 15. The marketing quotas would then have to be approved in a referendum by two-thirds of the farmers voting. If approved, marketing certificates would be distributed to farmers, and planting restrictions could be imposed. If quotas are accepted, the support price would range between 65 and 90 percent of parity; if rejected, price supports would amount to 50 percent of parity.

The basic legislation has no provision for a land diversion or income-support payments for feed grains. The loan level for corn would be at 50 percent of parity. The upland cotton program, if returned to basic legislation, would work in much the same way as the wheat program, with a national referendum on quotas by cotton farmers and similar penalties and restrictions. (*Bill Edmondson and Richard Rizzi (202) 447-6620*)

Effect Of Failure To Replace or Extend 1977 Farm Bill

Program Authority	Revert to Permanent Legislation	Expire
Payment limitation		X
Dairy		
Indemnity Program		X
Class I Base Plans		X
CCC Donations to Military		
and VA Hospitals		X
Minimum Price Support	X	
Beekeeper Indemnity		X
Wool and Mohair	X	
Wheat*	X	
Feed Grains*	X	
Cotton*	X	
Rice*	X	
Peanuts	X	
Soybeans	X	
Set-aside		X
Normal Crop Acreage		X
CCC Minimum Sales Price	X	
Storage Facility Loans	X	
Grain Reserves	X	

* Although the wheat, feed grain, cotton, and rice programs would revert to existing permanent legislation, authority for major portions of existing programs would expire, including that for target prices and set-asides.

THE ADMINISTRATION'S PROPOSALS:

Highlights from Secretary Block's Testimony on Capitol Hill

Secretary Block, in testimony before the House Committee on Agriculture, described two of the administration's central goals for farm policy. One is to remove some of the risk from farming with the least possible government intrusion into the marketplace and at minimal cost to U.S. taxpayers. The second is to ensure that agricultural exports, which have become so critical to this nation's economy, will continue to expand, despite the difficult financial conditions many foreign countries are experiencing.

The Secretary noted that the President had signed legislation to suspend the April 1 dairy support adjustment, and he outlined further proposals for dairy. While the structure of the program would remain unchanged, the support level would be set between 70 and 80 percent of parity, adjusted as needed. The support level on October 1, 1981, would not be lower than the current \$13.10 per cwt.

Proposals for crops include:

- **Farmer-Owned Reserve.** The primary purpose of the reserve will not be to either enhance or place a lid on prices, but rather to guard against extreme fluctuations so that U.S. livestock producers and the United States' foreign customers can be assured of a reliable source of supply.

To encourage grain to move into the reserve, entry loan levels will be determined each year. As in 1981, these levels will reflect costs, excluding land, in major producing areas and will reflect other relevant economic factors such as world supply and demand conditions.

- **Loan Rates.** Basic loan rates for major crop commodities will continue to be set at levels that will allow U.S. commodities to compete in world markets. However, the loan rates will be high enough to provide an effective "safety net" and help farmers with their short-term financing needs for production and marketing. The administration is not proposing a "call" provision in the reserve program, although it proposes to retain authority to call loans in highly unusual circumstances.

- **Production Controls.** Once the reserve is full (no more than 12 to 15 percent of annual U.S. feed grain output and 18 to 20 percent of wheat), the administration will stand ready to offer producers a voluntary paid diversion program—if global supply prospects indicate another large crop in the offing.

- **Target Prices and Deficiency Payments.** To eliminate direct Federal payments and reduce budget exposure, the administration proposes to eliminate target prices and deficiency payments beginning with the 1982 crops of wheat, feed grains, rice, and cotton. The target price program was designed to protect producers before the advent of the reserve program, and it has since lost most of its usefulness. The administration philosophically opposes most direct payments, in contrast with commodity loan programs where costs are recoverable.

- **Disaster Payments.** The administration proposes to eliminate low-yield and prevented-planting disaster payments. They are no longer necessary as a result of passage of the comprehensive Federal Crop Insurance Act of 1980.

- **Peanuts.** The administration proposes to eliminate acreage allotments and reduce poundage quotas by 10 percent annually over the next 4 years. By reducing marketing quotas gradually rather than all at once, allotment holders would be protected against an abrupt adjustment in their asset base.

Note: A full review of the administration's proposals for the 1981 farm bill will be included in the May issue of *Agricultural Outlook*.



World Agriculture and Trade in the 1980's

Historical Perspective

Between the early 1950's and the early 1970's, growth in world food production was generally strong and steady—albeit unevenly distributed. During the same time, consumption made unprecedented gains, even after adjusting for population growth.

By the early 1970's world per capita food intake had reached 108 percent of the minimum cited by the United Nations' Food and Agriculture Organization (FAO) as necessary "... to allow normal activity and good health in adults and to permit children to reach their potential body weight in the absence of disease." The level had been about 104 percent a decade earlier and slightly below 100 in the early 1950's.

Paralleling this overall improvement in the world food situation, however, was increased dependence on trade. In these 2 decades, the world's trade in food—supplied increasingly by a few exporters such as the United States—expanded roughly twice as fast as production and consumption. This unprecedented growth in trade reduced foreign self-sufficiency in food production (measured as a share of foreign food consumption) from 98 to 89 percent.

The middle and late 1970's, however, stand out in sharp contrast to the previous 20 to 25 years. In these years, greater year-to-year variability in production and consumption

accompanied a marked increase in trade—with the United States supplying a disproportionately large share. Of the eight largest percentage shifts in world food production and disappearance since World War II, five occurred between 1972 and 1979. Unlike the first 25 years of the postwar period, real prices fluctuated widely, hitting an all-time high and postwar low within the span of 5 years.

By the end of the 1970's, food exporters, including the United States, had committed their best arable land to production in efforts to meet expanding demand in the face of lagging growth in foreign supplies. The concerns of farm and food policy shifted more slowly, but by the late 1970's policymakers began to focus on the problem of tight supplies as well as on conventional concerns of farm returns and excess capacity.

Foreign Demand:

Continued Strong Growth Foreseen. . .

Over most of the last 3 decades, record-breaking population growth, increased affluence, and declining real prices combined to expand foreign demand for agricultural products at a 2.9-percent annual rate, more than double the rate during the first half of the century.

Foreign population increased 75 percent in the last 3 decades, probably accounting for about half the period's increase in demand. Such growth in population alone would have generated two-thirds of the increased demand if income growth had been adequate and broad-based enough to transform food needs into food demand.

Besides population growth, macroeconomic developments in most affluent and some lower income countries were favorable enough to raise real per-capita incomes by 3 percent a year, on average; these gains, in turn, increased per-capita demand 1 percent or more annually. In addition, increased affluence in the wealthiest developed countries shifted demand toward more fed livestock products.

Demographers and macroeconomic forecasters studying the early 1980's conclude that, despite slower population and economic growth, demand for agricultural products is likely to expand 2.5 to 2.7 percent annually. Increases of this magnitude imply that the volume of farm products demanded in the 1980's would rise nearly one and a half times faster than in the 1970's.

While their specific forecasts vary, macroeconomic forecasters agree that the economic outlook for the next 5 years is less favorable than during most of the 1960's and 1970's. In fact, the next couple years are likely to be marked by sharply slower world economic growth and serious, persistent problems of inflation and unemployment. Recovery starting in late 1981 will probably be more prolonged than in past cycles, and growth rates from 1983 through 1985 are not expected to bounce back to the highs following earlier recoveries.

. . . For Developed Countries. . .

Poorer economic prospects will tend to dampen growth in demand for agricultural products, while further weakening the comparative advantage in farm output that many industrialized countries now enjoy. Nevertheless, several factors suggest the effect on food demand will be small.

For one thing, incomes in many developed countries are high enough to weaken the link between economic performance and agricultural demand. In the lower income developed countries where higher incomes appreciably increase demand, growth prospects are bullish enough—particularly toward the mid-1980's—to accelerate the

shift toward more livestock consumption, thus generating sharply stronger growth in demand for feedstuffs.

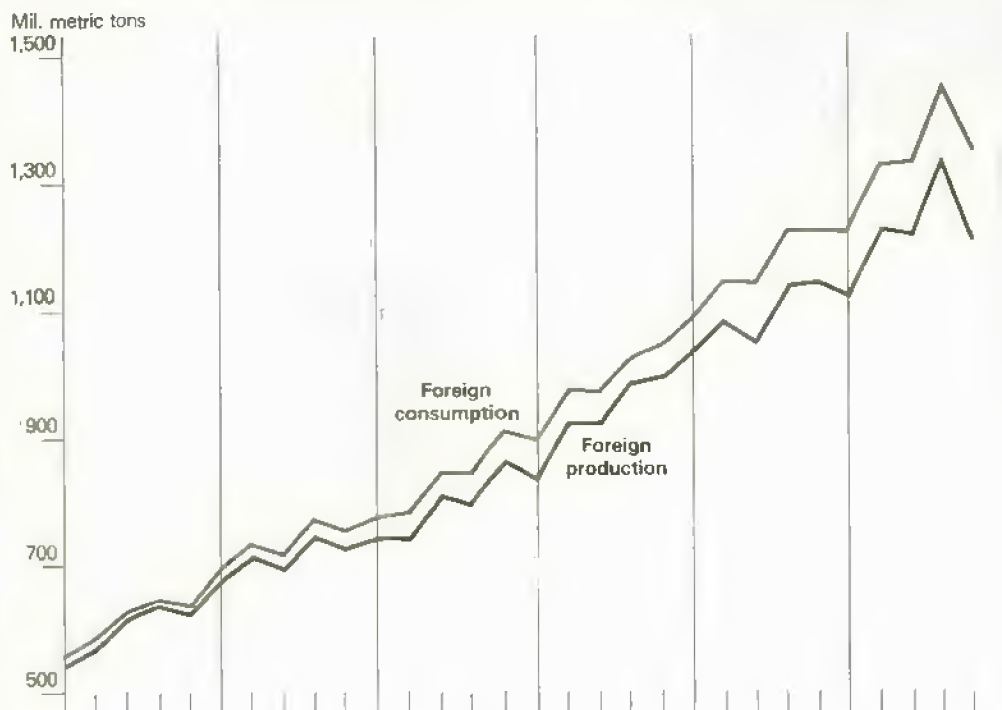
On balance, poorer economic prospects for the developed countries will reduce growth in their agricultural output, produce marginally slower growth in their food demand, and consequently boost their imports of farm products.

... And for Developing Nations as a Group Economic activity in the developing countries is likely to follow the same general pattern, but with several important exceptions and less homogeneity across countries. As a group, the developing countries that import oil face a pronounced slowdown in economic growth accompanied by higher inflation and unemployment. Hardest hit will be areas such as South Asia and sub-Saharan Africa, where the early 1980's will generally be a period of economic stagnation. Exacerbating the economic outlook for the oil-importing developing countries are the deteriorating prospects for trade, private capital flows, and development assistance from developed countries.

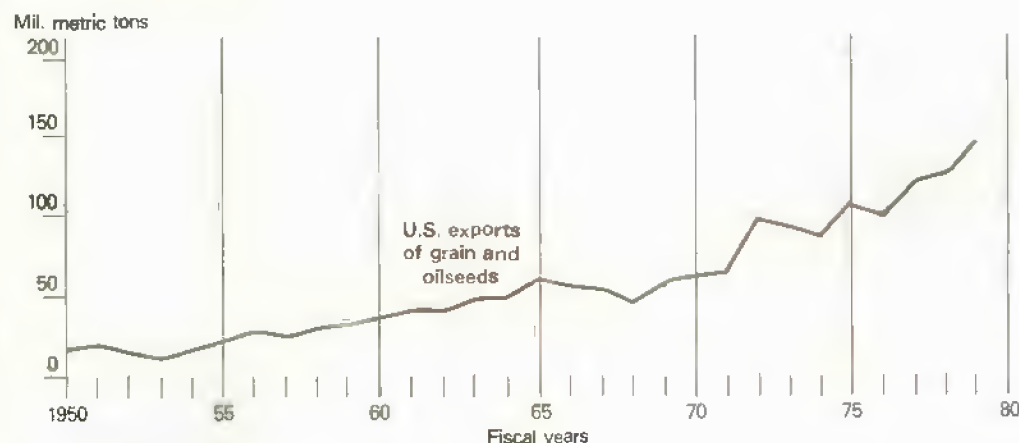
More than offsetting these countries' poor prospects, however, is the outlook for record growth in food, feed, and fiber demand in the oil-exporting and selected high-growth developing countries. Rising incomes in these 15 to 20 countries—having a combined population of over 600 million—will boost their food demand and change the mix of products consumed markedly.

Demand for traditional foods such as grains, starches, and pulses will increase in the lower income groups that make up half the population of these "middle income" countries. Increasing affluence in the wealthier half of these countries' populations will generate demand for more livestock products and—given their limited livestock production alternatives—exponential growth in demand for grain and oilmeal for feed. With diets in these "middle income" countries improving in both quantity and quality, demand could expand in magnitude reminiscent of that generated by similar dietary shifts in the affluent developed countries during the 1950's and 1960's.

Widening Gap Between Foreign Production and Consumption of Grains and Oilseeds . . .



... Filled by U.S. Exports



These widely differing prospects for the poorer developing countries on the one hand and for those characterized as "middle income" on the other will likely leave aggregate food demand by developing nations close to the course set in the 1960's and 1970's, with similar growth rates and consumption patterns continuing into the 1980's.

Foreign Production Gains Likely To Slow Since World War II, foreign agricultural production has expanded at an annual rate of 2.8 percent, more than twice the pace of the previous 50 years. Leading this expansion were growth in the resources allocated to food production, productivity gains, and what appears in retrospect to have been abnormally favorable weather.

During this period, more than a third of the gain in world food production was achieved by expanding resources—particularly arable area. This expansion was most pronounced in the 1950's and 1960's as new lands were opened up, and again in the middle 1970's as the United States returned large acreage reserves to cultivation. The rest of the post-war production gains resulted from productivity enhancement through improved farming practices, wider use of yield-enhancing inputs such as fertilizer, and adoption of higher yielding plant varieties.

Because of constraints on the world's agricultural resource base and productivity gains, the pace of growth in world

production during the early 1980's is likely to average only 2.1 to 2.4 percent—three-quarters of the previous postwar rate. Production gains in the 1980's due to relatively inexpensive expansion in arable area are likely to be significantly smaller than for any other period of the last 3 decades.

Equally important, much of the new land cultivated in the 1980's likely will be semi-arid, a trend that could exacerbate year-to-year fluctuations in world output. In the 1960's, less than 20 percent of the land under cultivation was classified as semi-arid and rainfall-dependent; by 1985, as much as 30 percent of the world's cultivated land will be semi-arid.

Increasingly tight resource constraints necessarily mean that future gains in world food production depend on accelerating productivity growth. For the next 5 years or so, such growth could only be achieved by increasing adoption of existing technology and assuring farmers an expanding supply of attractively priced inputs. But sustaining, let alone increasing, the present pace of productivity gains could be difficult in the early 1980's.

Trade To Expand Further in 1980's

Few countries could have supported the dramatic gains in food and agricultural consumption of the last 3 decades through increases in indigenous production alone. Reflecting this, world trade in agricultural products has increased more than twice as fast as production and consumption since 1950.

The value of world agricultural trade tripled from 1950 through the early 1970's and has since doubled again. The volume of world trade in grains rose more than 7 percent a year, while the pace for oilseeds and products was more than 9 percent. The United States has been the single largest source of this expanding agricultural trade. The volume of U.S. grain and oilseed exports doubled in the 1970's alone, while the total value of U.S. farm exports quadrupled.

Note:

Multi-year projections, particularly for agriculture, are subject to several qualifications. Estimates of the changes in population, income, taste, resources, and technology underlying agricultural projections are extremely uncertain. The relationships between these key variables are also uncertain. As a result, projections with more than a 1- or 2-year time horizon are not so much forecasts of what will happen as educated guesses of what could happen.

Based on the foreign supply and demand prospects outlined in this article, growth in imports of food, feed, and fiber would have to match or exceed the rate of the 1970's to fill the widening gap between foreign production—growing at 2.1 to 2.4 percent a year—and foreign demand—growing at 2.5 to 2.7 percent. By 1985, the world may depend on the United States for 15 percent of its agricultural supplies, compared with 2 percent in the early 1950's and 11 percent in the late 1970's. To accommodate this increase, U.S. farm exports would have to expand 6 to 8 percent a year.¹

Many of the same factors implying strong growth in trade in the early 1980's also suggest that foreign demand for U.S. products will grow increasingly variable from year to year. Annual fluctuations in foreign demand for U.S. products widened significantly in the 1970's, and they are likely to continue widening in the 1980's as producers abroad cultivate more marginal areas subject to weather-related failures and as more countries isolate their domestic markets from equilibrating price and quantity adjustments in the world market.

The United States' increasingly dominant role as a residual world supplier will tend to translate year-to-year swings in production and consumption—from virtually anywhere in the world—into fluctuating demand for U.S. products. These factors could double the variability of world production and consumption in the 1980's, generating annual swings in foreign demand for U.S. grains and oilseeds of 30 million metric tons. [Patrick O'Brien (202) 447-8364]

¹ The U.S. export forecasts cited in this paper were calculated on the basis of supply and demand estimates for wheat, feed grains, rice, oilseeds, cotton, livestock, and tobacco for the 28 major regions of the world. Demand forecasts were based on population and income growth rates, expectations about changes in taste, and livestock feed conversion rates. Supply forecasts were based on area and productivity trends and a review of land constraints or slow-trend growth in productivity. Demand for U.S. exports was calculated as the difference between foreign supply and demand.



Recent Publications

USDA's Economics and Statistics Service publishes a number of research reports, statistical supplements, handbooks, and other periodicals that may be of interest to you as an *Agricultural Outlook* reader. To order reports listed below, write directly to ESS Publications, Room 0054 South, U.S. Department of Agriculture, Washington, D.C. 20250. Be sure to list the publication number and provide your zipcode.

Preparing Crop and Livestock Estimates.
ESS, Revised March 1981.

U.S. Winter Fresh Tomato Price and Quantity Projections for 1985. ESS 4.

Energy and Labor Use by Rural Manufacturing Industries. RDRR 26.

Aquaculture. New situation report released by ESS on April 9.

State Reports

To order publications issued by a State write directly to the address shown. No copies are available from the U.S. Department of Agriculture.

Kansas Custom Rates 1980. Kansas Crop and Livestock Reporting Service, 444 S.E. Quincy, Room 290, Topeka, Kansas 66683.

Statistical Indicators

Summary Data

Key Statistical Indicators of the Food and Fiber Sector

	1979	1980					1981		
	Annual	I	II	III	IV p	Annual p	I f	II f	III f
Prices received by farmers (1967=100)	241	237	229	255	263	246	262	275	282
Livestock and products	257	251	234	259	261	251	250	274	287
Crops	223	220	223	251	267	241	275	277	277
Prices paid by farmers, (1967=100)									
Prod. items	248	268	271	280	288	277	294	314	—
Prod. items, int., taxes, and wages	260	285	288	295	302	293	313	329	—
Farm income ¹									
Cash receipts (\$ bil.)	131.5	137	136	143	146	140	140-144	149-153	—
Livestock (\$ bil.)	68.6	68	66	71	72	69	70-72	75-77	—
Crops (\$ bil.)	62.8	69	70	72	73	71	70-72	74-76	—
Total gross farm income (\$ bil.) ²	149.6	153	149	155	159	154	155-159	167-171	—
Production expenses (\$ bil.)	118.6	127	130	134	137	132	138-142	142-146	—
Net farm income (\$ bil.)	31.0	25	19	21	22	22	17-19	23-25	—
Net cash income (\$ bil.) ³	35.8	34	30	35	35	33	28-31	33-35	—
Market basket (1967=100)									
Retail cost	222.7	229.8	233.7	242.7	249.2	238.8	253	263	273
Farm value	228.1	226.0	226.4	253.8	255.2	240.3	249	262	277
Spread	219.6	232.1	237.9	236.2	245.6	238.0	256	264	271
Farm value/retail cost (%)	38	36	36	39	38	37	36	36	39
Retail prices (1967=100)									
Food	234.5	245.3	250.5	258.2	264.4	254.6	271	280	289
At home	232.9	241.8	246.6	255.6	262.0	251.5	268	278	287
Away-from home	242.9	258.4	264.7	269.6	275.4	267.0	284	291	299
Agricultural exports (\$ bil.) ⁴	32.0	10.3	9.7	9.5	11.7	40.5	12.0	11.5	10.8
Agricultural imports (\$ bil.) ⁴	16.2	4.5	4.3	4.0	4.5	17.3	4.4	4.3	4.3
Livestock and products									
Total livestock and products (1974=100)	106.3	106.7	112.0	108.7	110.8	109.6	109.7	111.1	—
Beef (mil. lb.)	21,261	5,244	5,250	5,383	5,587	21,464	5,570	5,025	—
Pork (mil. lb.)	15,270	4,124	4,300	3,757	4,250	16,431	4,100	3,900	—
Veal (mil. lb.)	410	91	89	95	103	378	100	90	—
Lamb and mutton (mil. lb.)	284	80	77	72	82	311	85	85	—
Red meats (mil. lb.)	37,225	9,539	9,716	9,307	10,022	38,584	9,856	9,100	—
Broilers (mil. lb.)	10,915	2,722	2,923	2,759	2,685	11,089	2,780	3,000	—
Turkeys (mil. lb.)	2,182	374	523	705	701	2,303	400	555	—
Total meats and poultry (mil. lb.)	50,322	12,635	13,162	12,771	13,428	51,996	13,036	12,655	—
Eggs (mil. dz.)	5,777	1,466	1,425	1,432	1,483	5,805	1,445	1,425	—
Milk (bil. lb.)	123.4	31.2	34.0	32.2	31.0	128.4	32.2	35.4	—
Choice steers, Omaha (\$/cwt.)	67.75	66.88	64.65	71.15	65.51	67.05	62	71-75	—
Barrows and gilts, 7 markets (\$/cwt.)	42.06	36.31	31.18	46.23	46.44	40.04	41	45-48	—
Broilers, 9-city wholesale (cts./lb.)	44.4	43.0	41.1	53.3	49.9	46.8	50-52	53-55	—
Turkeys, N.Y., wholesale (cts./lb.)	68.1	59.0	54.3	68.3	73.0	63.6	59-61	61-63	—
Eggs, Gr. A large, N.Y. lcts./dz.)	68.2	62.1	57.0	70.3	76.9	66.6	72-74	71-74	—
Milk, all at farm (\$/cwt.)	12.00	12.77	12.60	12.87	13.93	13.04	14.05-14.15	13.60-14.00	—

¹ Quarterly cash receipts and expenses are seasonally adjusted at annual rates. ² Includes net change in farm inventories. ³ Excludes inventory adjustment and noncash income and expenses. Represents cash available for capital expenditures and operator income. ⁴ Annual data are based on Oct.-Sept. fiscal years ending with the indicated year. f = forecast, p = Preliminary.

Farm Income

Cash receipts¹ from farm marketings, by States, January

	Livestock and Products		Crops ²		Total ²	
State	1980	1981	1980	1981	1980	1981
	\$Mil					
NORTH ATLANTIC						
Maine	24.5	31.3	11.8	17.9	36.2	49.2
New Hampshire	6.0	6.0	2.3	2.2	8.3	8.2
Vermont	28.8	31.4	1.5	1.4	30.3	32.7
Massachusetts	10.9	12.2	17.2	17.3	28.1	29.6
Rhode Island	1.3	1.2	1.2	1.3	2.4	2.4
Connecticut	15.0	16.9	30.5	36.6	45.5	53.5
New York	136.1	151.9	49.0	61.5	185.2	213.4
New Jersey	10.1	11.2	13.9	12.2	24.1	23.4
Pennsylvania	157.5	181.3	75.5	60.3	233.0	241.6
NORTH CENTRAL						
Ohio	129.8	131.6	161.2	228.1	291.0	359.7
Indiana	142.2	148.5	264.6	358.7	406.9	507.2
Illinois	192.6	204.1	760.9	909.3	953.5	1,113.4
Michigan	104.2	107.8	69.9	89.4	174.1	197.3
Wisconsin	296.1	330.8	81.7	116.2	377.8	447.0
Minnesota	281.0	298.7	164.6	256.2	445.6	554.9
Iowa	528.4	540.2	476.4	791.6	1,004.7	1,331.8
Missouri	201.0	211.0	182.0	228.0	383.0	439.0
North Dakota	80.2	77.4	119.9	111.9	200.0	189.3
South Dakota	178.0	176.5	67.6	69.4	245.6	245.9
Nebraska	303.4	306.6	312.7	303.3	616.1	609.9
Kansas	237.7	229.5	229.2	226.5	466.9	456.0
SOUTHERN						
Delaware	15.1	25.7	4.5	4.3	19.6	30.0
Maryland	51.2	62.1	14.4	17.1	65.6	79.2
Virginia	64.1	67.9	36.9	35.2	101.0	103.1
West Virginia	12.1	12.8	6.2	6.2	18.3	19.0
North Carolina	116.1	133.7	46.8	46.7	162.9	180.4
South Carolina	36.9	38.4	46.4	31.2	83.3	69.6
Georgia	138.3	168.0	64.8	54.9	203.1	222.9
Florida	77.2	82.7	350.7	321.9	427.9	404.6
Kentucky	67.8	70.6	255.5	270.5	323.3	341.1
Tennessee	91.6	91.4	73.4	70.0	165.0	161.4
Alabama	120.8	140.2	34.5	121.7	155.4	261.9
Mississippi	65.9	77.8	122.7	98.6	188.6	176.4
Arkansas	102.4	133.1	206.9	131.0	309.2	264.1
Louisiana	48.0	45.6	111.8	114.5	159.8	160.0
Oklahoma	179.3	171.6	113.6	89.0	292.9	260.6
Texas	511.6	537.1	501.7	450.3	1,013.3	987.3
WESTERN						
Montana	35.1	33.1	49.3	57.8	84.4	90.9
Idaho	66.6	78.0	98.0	144.5	164.7	222.4
Wyoming	49.8	26.1	8.4	11.4	58.2	37.5
Colorado	243.1	245.0	67.0	107.1	310.2	352.1
New Mexico	53.5	47.2	13.1	15.3	66.6	62.5
Arizona	48.2	50.5	87.6	162.8	135.8	213.3
Utah	29.7	30.0	8.9	11.8	38.6	41.7
Nevada	13.8	14.1	6.8	5.9	20.6	20.0
Washington	67.7	76.0	149.9	176.0	217.6	251.9
Oregon	51.8	56.1	67.6	88.5	119.4	144.6
California	341.2	371.1	436.2	569.4	777.4	940.6
Alaska	0.3	0.3	0.4	0.4	0.8	0.7
Hawaii	7.4	7.5	28.5	28.5	35.9	36.0
UNITED STATES	5,771.2	6,099.4	6,106.2	7,141.9	11,877.4	13,241.3

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Cash receipts from farming

	1980												1981
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
	\$ Mil.												
Farm marketings and CCC loans ¹	11,877	9,705	9,547	9,121	9,378	10,337	11,531	11,339	11,836	15,790	14,143	13,344	13,241
Livestock and products	5,771	5,572	5,580	5,450	5,476	5,373	5,672	5,802	5,470	7,072	5,881	6,005	6,099
Meat animals	3,763	3,639	3,499	3,302	3,265	3,234	3,337	3,615	3,151	4,697	3,628	3,694	3,723
Dairy products	1,294	1,236	1,374	1,379	1,466	1,366	1,374	1,369	1,325	1,389	1,368	1,448	1,497
Poultry and eggs	664	650	645	697	671	693	887	743	915	909	916	895	829
Other	50	47	62	72	74	80	74	75	79	77	69	68	50
Crops	6,106	4,133	3,967	3,671	3,902	4,964	5,859	5,537	6,366	8,718	8,162	7,339	7,142
Food grains	702	509	385	337	412	1,305	1,733	1,002	1,042	1,127	865	980	965
Feed crops	1,784	1,179	1,105	938	1,039	1,289	1,454	1,549	1,463	1,438	2,155	2,058	2,304
Cotton (lint and seed)	636	351	234	183	186	131	144	232	433	489	1,020	865	832
Tobacco	304	27	6	20	11	0	83	457	547	405	276	539	326
Oil-bearing crops	1,538	989	866	687	823	815	995	834	914	3,182	1,729	1,209	1,554
Vegetables and melons	358	307	423	434	558	591	578	635	818	811	474	411	464
Fruits and tree nuts	370	380	452	485	401	506	480	466	648	736	761	588	288
Other	414	391	496	587	472	327	392	362	501	530	882	689	409
Government Payments	55	41	25	113	54	30	27	53	91	162	213	293	239
Total cash receipts ²	11,932	9,746	9,572	9,234	9,432	10,367	11,558	11,392	11,927	15,952	14,356	13,637	13,480

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	Annual			1980						1981
	1978	1979	1980	Jan	Aug	Sept	Oct	Nov	Dec	Jan
	1967=100 ^a									
All commodities	124	127	133	150	124	126	173	154	146	152
Livestock and Products	112	110	113	113	108	102	132	113	115	119
Crop	140	151	161	202	145	160	231	210	190	200

^aThe farm marketing indexes (physical volume) will shift from the 1967 base to a 1977 base in the August issue. In addition a historical series for the 1977 base will appear, together with index numbers of cash receipts from farm marketings, in the next issue of *Economic Indicators of the Farm Sector: Income and Balance Sheet Statistics*.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1969=100 ^a									
Rail freight rate index ¹										
All products (1969=100)	213.0	243.4	285.4	267.7	298.5	299.0	299.6	300.3	313.9	317.7
Farm products (1969=100)	204.9	235.0	271.8	260.7	281.1	282.8	283.5	285.3	294.4	300.7
Grain (Dec. 1978=100)	n.a.	106.9	127.5	120.6	132.9	133.6	133.5	134.4	139.8	142.9
Food products (1969=100)	210.0	239.5	283.7	263.8	300.0	300.0	300.9	301.2	315.7	319.7
Rail carloadings of grain (thou. cars) ²	25.8	27.5	30.1	31.0	32.1	34.8	31.4	28.1	34.4	31.1
Barge shipments of grain (mil. bu.) ³	31.3	31.2	35.7	25.2	41.9	42.6	35.1	32.0	35.3	23.5
Fresh fruit and vegetable shipments										
Rail (thou. cwt.) ^{3,4,5}	915	806	1,218	624	1,085	1,211	1,191	1,201	833	811
Truck (thou. cwt.) ^{3,4,5}	7,322	7,558	7,594	7,532	6,759	7,032	7,492	7,328	7,518	6,802

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1980. ⁵ Typical truck loads are about 40,000 pounds and average railcar loads in 1975 were about 60,000 pounds.

Farm Prices: Received and Paid

Indexes of Prices received and paid by farmers, U.S. average

	Annual			1980				1981		
	1978	1979	1980 p	Mar	Oct	Nov	Dec	Jan	Feb	Mar p
1967=100										
Prices Received										
All farm products	210	241	246	234	261	264	265	264	263	258
All crops	203	223	241	220	259	270	272	276	276	274
Food grains	191	229	257	245	274	284	283	282	280	266
Feed grains and hay	184	207	240	211	267	275	281	282	283	276
Feed grains	181	204	235	207	261	270	277	278	279	273
Cotton	245	258	317	288	335	345	359	342	317	299
Tobacco	191	207	221	217	223	225	240	234	234	234
Oil-bearing crops	226	249	247	219	276	297	294	304	294	281
Fruit	224	235	207	206	225	218	193	190	183	205
Fresh market ¹	234	246	212	213	231	221	191	188	179	207
Commercial vegetables	185	194	198	192	194	213	226	246	281	293
Fresh market	208	215	217	210	216	246	254	280	328	346
Potatoes ²	202	178	249	190	241	275	309	357	378	401
Livestock and products	217	257	251	247	263	260	259	253	252	246
Meat animals	226	280	262	261	271	262	259	253	252	244
Dairy products	210	239	259	252	272	278	280	280	278	276
Poultry and eggs	185	192	193	178	213	220	227	213	210	206
Prices paid										
Commodities and services	219	250	281	276	289	291	292	299	300	302
Interest, taxes, and wage rates	217	249	277	272	286	289	290	293	294	296
Production items	183	204	230	211	252	263	266	265	264	257
Feed	221	293	281	291	289	283	282	274	270	267
Feeder livestock	273	286	309	295	316	316	316	316	316	316
Seed	180	196	243	244	246	246	247	247	247	262
Fertilizer	147	150	176	173	183	183	183	183	183	192
Agricultural Chemicals	212	276	380	377	383	386	390	405	427	436
Fuels & Energy	171	189	221	210	230	231	231	234	236	236
Farm & motor supplies	248	273	289	281	287	312	312	311	315	319
Autos & trucks	259	289	323	317	337	337	337	337	337	348
Tractors & self-propelled machinery	266	293	326	319	338	338	338	338	338	351
Other machinery	248	272	293	288	299	300	301	301	304	304
Building & fencing	248	265	300	300	282	300	300	331	331	331
Farm services & cash rent	400	501	640	640	627	640	640	699	699	699
Interest payable per acre on farm real estate debt	210	226	216	216	244	216	216	226	226	226
Taxes on farm real estate	242	265	286	284	288	288	289	318	318	318
Wage rates (seasonally adjusted)	227	261	293	288	299	303	303	312	312	314
Production items, interest, taxes, and wage rates	524	602	615	585	652	660	662	659	657	646
Prices received (1910-14=100)	746	849	956	937	979	990	994	1,016	1,020	1,027
Prices paid, etc. (Parity index) (1910-14=100)	70	71	64	62	66	67	67	65	65	63
Parity ratio ³										

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweetpotatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, taxes, and wage rates. P preliminary.

Prices received by farmers, U.S. average

	Annual*			1980				1981		
	1978	1979	1980 ^p	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Crops										
All wheat (\$/bu.)	2.82	3.51	3.88	3.64	4.19	4.32	4.22	4.21	4.17	3.93
Rice, rough (\$/cwt.)	9.29	9.05	11.07	11.70	10.90	11.60	13.10	13.20	13.00	13.20
Corn (\$/bu.)	2.10	2.36	2.70	2.40	2.99	3.20	3.19	3.19	3.22	3.16
Sorghum (\$/cwt.)	3.43	3.91	4.68	4.05	5.36	5.47	5.49	5.48	5.33	5.14
All hay, baled (\$/ton)	49.80	56.20	66.80	57.40	74.60	73.60	74.20	73.80	74.00	71.60
Soybeans (\$/bu.)	6.28	5.86	6.75	5.94	7.68	8.18	7.80	7.80	7.50	7.10
Cotton, Upland (cts./lb.)	65.2	58.0	71.3	64.8	75.3	77.6	80.9	75.9	71.4	67.4
Potatoes (\$/cwt.)	3.87	3.16	4.78	3.23	4.38	5.42	6.19	7.39	7.88	8.33
Dry edible beans (\$/cwt.)	18.60	19.60	24.80	24.80	25.30	26.30	26.40	27.50	28.30	29.70
Apples for fresh use (cts./lb.)	16.1	14.3	17.0	15.6	14.5	12.9	11.9	11.0	12.8	12.6
Pears for fresh use (\$/ton)	267	276	325	435	237	233	255	240	255	290
Oranges, all uses (\$/box) ¹	4.70	3.34	3.26	3.35	3.92	4.25	3.12	2.87	2.46	3.59
Grapefruit, all uses (\$/box) ¹	2.35	2.97	2.73	2.93	4.17	2.83	3.08	2.91	3.30	3.42
Livestock										
Beef cattle (\$/cwt.)	48.50	66.30	62.50	64.30	61.80	59.80	59.70	69.30	58.70	57.40
Calves (\$/cwt.)	58.40	89.70	77.40	83.20	74.80	72.60	70.60	69.20	70.50	70.50
Hogs (\$/cwt.)	47.10	41.30	38.90	33.40	47.20	45.60	43.90	40.80	41.30	38.10
Lambs (\$/cwt.)	62.80	67.10	63.60	67.30	64.30	60.10	59.00	63.70	64.80	66.20
All milk, sold to plants (\$/cwt.)	10.60	12.00	13.00	12.70	13.70	14.00	14.10	14.10	14.00	13.90
Milk, manuf. grade (\$/cwt.)	9.66	11.10	12.06	11.80	12.70	12.90	13.00	13.00	12.90	12.90
Broilers (cts./lb.)	26.3	25.9	27.9	24.2	31.7	30.2	29.7	30.2	30.4	29.7
Eggs (cts./doz.) ²	52.8	58.1	56.4	55.0	58.6	65.5	72.6	64.8	62.6	60.8
Turkeys (cts./lb.)	42.0	41.9	39.2	35.4	47.9	49.0	45.2	39.8	38.9	40.3
Wool (cts./lb.) ³	74.5	86.3	89.5	93.5	94.5	92.4	86.6	90.6	92.8	93.1

¹ Equivalent on-tree returns. ² Average of all eggs sold by farmers including hatching eggs and eggs sold at retail. ³ Average local market price, excluding incentive payments. *Calendar Year averages. p Preliminary.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)

	Annual			1980					1981	
	1980	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
1967=100										
Consumer price index, all items	246.8	236.4	247.8	249.4	251.7	253.9	256.2	258.4	260.5	263.2
Consumer price index, less food	244.0	233.5	245.1	246.3	248.6	250.9	253.2	255.6	257.6	260.4
All food	254.6	244.9	254.8	258.7	261.1	262.4	264.5	266.4	268.6	270.8
Food away from home	267.0	258.3	267.8	269.5	271.4	273.1	275.3	277.7	280.9	284.7
Food at home	251.5	241.3	251.5	256.3	258.9	260.0	262.1	263.9	265.6	267.3
Meats ¹	248.8	244.1	243.3	251.1	257.8	258.7	261.1	260.0	259.7	256.4
Beef and veal	270.3	256.2	267.9	273.1	277.5	275.8	277.9	275.3	275.3	272.3
Pork	209.1	202.8	200.3	212.0	222.7	225.8	228.6	229.1	228.2	223.6
Poultry	190.8	182.8	187.9	197.5	205.2	209.1	204.1	202.7	202.4	203.7
Fish	330.2	320.4	330.1	331.8	335.8	336.6	343.0	346.9	358.0	355.0
Eggs	169.7	157.2	154.2	178.3	179.9	175.3	185.2	206.6	190.2	188.2
Dairy products ²	227.4	219.5	229.6	229.7	230.6	232.7	235.4	238.0	240.1	242.1
Fats and oils ³	241.2	235.9	239.3	242.0	243.6	246.0	247.4	251.9	260.4	267.3
Fruits and vegetables	246.7	228.3	253.9	258.4	257.4	254.2	253.3	255.6	257.6	267.3
Fresh	252.6	223.1	265.8	273.0	269.6	262.3	258.3	262.0	263.9	278.1
Processed	242.5	236.2	243.0	244.5	246.3	247.5	250.1	250.9	263.0	257.8
Cereals and bakery products	246.4	236.8	247.8	249.2	250.3	253.7	255.8	258.5	262.9	265.3
Sugar and sweets	341.3	297.5	353.1	355.1	361.1	369.0	381.3	386.3	385.4	385.4
Beverages, nonalcoholic	395.6	384.5	397.4	402.8	403.9	404.9	405.5	405.2	409.7	411.9
Apparel commodities less footwear	167.8	161.8	165.0	167.8	171.8	173.1	173.9	172.6	168.9	169.6
Footwear	109.3	184.6	189.6	190.3	193.2	196.1	196.5	196.6	194.9	194.9
Tobacco products	202.6	198.1	203.8	204.5	204.5	204.5	207.3	210.8	211.9	212.3
Beverages, alcoholic	186.3	180.4	187.2	188.7	189.6	190.4	190.9	191.6	193.7	195.9

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1980					1981	
	1978	1979	1980 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
	1967=100									
Finished goods ¹	194.6	216.1	246.8	237.7	251.4	255.4	255.6	256.9	259.8	262.4
Consumer foods	206.8	226.3	239.4	232.1	247.4	248.0	248.5	248.8	250.6	250.9
Fresh fruit	213.5	232.6	237.4	242.3	267.3	223.4	219.0	220.5	203.3	211.6
Fresh and dried vegetables	200.1	201.0	219.0	182.6	243.6	233.9	248.5	244.2	282.5	298.6
Eggs	158.6	176.5	171.0	150.4	188.4	175.2	194.0	217.5	185.7	184.8
Bakery products	201.3	221.7	247.7	241.9	249.0	251.9	255.2	258.9	261.3	262.7
Meats	209.6	240.6	235.8	231.1	249.6	251.2	244.8	242.3	241.3	234.5
Beef and veal	202.2	252.2	260.2	260.7	266.7	264.9	254.6	252.0	254.7	246.1
Pork	219.1	205.0	196.7	185.1	221.4	225.9	222.6	218.7	214.8	206.7
Poultry	194.0	188.6	193.3	179.5	227.6	213.1	207.7	203.3	203.2	209.6
Fish	313.0	383.8	371.0	393.8	367.5	350.0	357.8	355.4	373.0	371.5
Dairy products	188.4	211.2	230.7	220.8	234.1	238.4	240.6	242.7	245.2	245.5
Processed fruits and vegetables	202.6	221.9	228.9	223.3	231.9	234.5	235.2	237.1	237.4	244.1
Refined sugar ³	108.3	116.3	214.4	178.1	228.9	281.5	282.3	230.2	230.2	214.0
Vegetable oil and products	209.4	223.5	233.2	228.7	240.3	235.7	237.5	236.9	235.0	240.7
Consumer finished goods less foods	183.7	208.2	247.9	237.8	251.8	255.2	256.1	257.6	260.9	264.3
Beverages, alcoholic	148.2	161.4	175.6	170.7	179.8	180.0	180.9	181.2	181.7	185.2
Beverages, nonalcoholic	211.6	227.1	259.1	243.1	267.0	269.5	275.9	275.9	289.5	290.8
Apparel	152.4	160.4	172.2	166.8	174.7	175.5	176.0	177.0	178.6	179.3
Footwear	183.0	218.0	233.2	228.0	235.7	236.8	237.7	237.1	238.6	240.8
Tobacco products	198.5	217.7	245.5	237.2	247.6	248.9	253.9	254.2	254.3	255.3
Intermediate materials ⁴	215.5	242.8	280.2	271.1	285.3	287.7	288.6	291.7	295.5	297.8
Materials for food manufacturing	202.3	223.6	263.7	245.1	275.8	295.1	296.2	277.0	277.9	273.8
Flour	141.6	172.0	187.6	188.1	193.5	197.4	198.6	194.5	197.9	196.1
Refined sugar ⁵	109.3	119.3	210.5	183.0	222.6	276.6	287.2	221.1	225.4	219.4
Crude vegetable oils	219.2	243.7	202.6	208.4	219.4	210.9	216.4	204.6	199.8	187.5
Crude materials ⁶	240.1	282.2	304.2	308.3	331.8	322.8	323.2	320.8	321.3	335.5
Foodstuffs and feedstuffs	215.3	247.2	259.1	253.1	276.6	279.1	277.3	271.6	270.6	267.1
Fruits and vegetables ⁷	216.5	229.0	238.5	220.6	266.0	240.4	246.4	244.7	257.7	270.4
Grains	182.5	214.8	239.0	223.3	260.6	269.2	270.9	265.2	277.7	267.5
Livestock	220.1	260.3	252.7	257.2	266.8	263.0	254.8	251.4	244.3	244.6
Poultry, live	199.8	194.3	202.1	184.6	241.0	222.9	221.0	218.9	213.1	220.8
Fibers, plant and animal	193.4	209.9	271.1	269.5	295.2	278.5	287.2	294.1	284.1	268.4
Milk	219.7	250.1	271.2	263.8	275.5	280.9	284.7	290.5	288.4	289.5
Oilseeds	224.1	245.5	249.2	227.9	278.7	283.1	295.8	310.4	316.7	296.4
Coffee, green	378.2	416.2	430.3	441.2	403.5	403.0	404.4	399.3	409.1	403.0
Tobacco, leaf	191.5	207.7	n.a.	214.8	n.a.	n.a.	225.6	240.6	234.3	234.3
Sugar, raw cane	190.2	209.8	413.0	373.9	457.6	586.6	562.3	401.8	416.8	366.1
All commodities	209.3	235.6	268.6	260.2	274.6	277.8	278.4	280.3	283.5	286.9
Industrial commodities	209.4	236.5	274.5	265.9	278.8	282.0	282.7	286.1	289.9	294.8
All foods ⁷	206.5	266.3	244.5	235.7	254.3	258.8	259.3	253.9	255.1	253.9
Farm products and processed foods and feeds	206.5	229.8	244.6	237.0	256.5	259.4	260.1	256.5	257.3	254.9
Farm products	212.5	241.4	249.3	242.3	267.0	263.6	264.9	265.3	264.4	262.3
Processed foods and feeds	202.6	222.5	241.0	233.1	249.8	256.1	256.5	250.8	252.4	250.0
Cereal and bakery products	190.3	210.3	235.9	229.9	238.3	241.5	245.4	248.5	250.8	251.7
Sugar and confectionery	197.8	214.7	321.2	287.5	341.4	404.7	403.4	334.6	338.6	324.7
Beverages	200.0	210.7	232.4	224.8	236.2	239.5	238.1	238.1	240.4	242.2
Wholesale spot prices, 9 foodstuffs	239.1	255.6	264.3	257.2	284.8	290.3	289.4	272.6	267.7	258.5

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for the first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a. = not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1980 p					1981	
	1978	1979	1980p	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Market basket¹:										
Retail cost (1967=100)	199.4	222.7	238.8	229.1	246.2	247.3	249.2	251.1	252.4	254.0
Farm value (1967=100)	205.6	228.1	240.3	225.4	259.7	256.7	256.8	252.1	250.4	248.5
Farm-retail spread (1967=100)	195.7	219.6	238.0	231.1	238.3	241.7	244.7	250.4	253.6	257.3
Farm value/retail cost (%)	38.2	37.9	37.2	36.4	39.0	38.4	38.1	37.2	36.7	36.2
Meat Products:										
Retail cost (1967=100)	206.8	241.9	248.8	244.1	257.8	258.7	261.1	260.0	259.7	256.4
Farm value (1967=100)	206.4	234.6	234.0	225.2	254.8	250.9	245.7	237.6	233.4	226.5
Farm-retail spread (1967=100)	207.3	250.4	266.1	266.2	261.3	267.9	279.1	286.2	290.5	291.4
Farm value/retail cost (%)	53.8	52.3	50.7	49.8	53.3	52.3	50.8	49.3	48.5	47.6
Dairy Products:										
Retail cost (1967=100)	185.5	207.0	227.4	219.5	230.6	232.7	235.4	238.0	240.1	242.1
Farm value (1967=100)	204.7	234.0	254.9	244.8	260.9	263.4	266.8	269.1	272.0	272.6
Farm-retail spread (1967=100)	168.8	183.6	203.5	197.4	204.2	205.0	208.0	210.9	212.3	215.6
Farm value/retail cost (%)	51.4	52.6	52.2	51.9	52.7	52.7	52.8	52.6	52.7	52.4
Poultry:										
Retail cost (1967=100)	172.9	181.5	190.8	182.6	205.2	209.1	204.1	202.7	202.4	203.7
Farm value (1967=100)	202.1	199.4	211.7	193.3	243.4	242.6	233.0	227.7	228.1	229.1
Farm-retail spread (1967=100)	144.7	164.2	170.5	172.2	168.2	176.7	176.1	178.5	177.5	179.1
Farm value/retail cost (%)	57.5	54.0	54.6	52.1	58.3	57.1	56.2	55.2	55.4	55.3
Eggs:										
Retail cost (1967=100)	157.8	172.8	169.7	157.2	179.9	175.3	185.2	206.6	190.2	188.2
Farm value (1967=100)	178.9	199.2	190.9	164.7	214.4	190.2	221.7	249.7	208.8	212.7
Farm-retail spread (1967=100)	127.3	134.6	139.2	146.4	130.0	153.7	132.5	144.3	163.3	152.8
Farm value/retail cost (%)	67.0	68.1	66.6	61.9	70.4	64.1	70.7	71.4	64.9	66.8
Cereal and bakery products:										
Retail cost (1967=100)	199.9	220.2	246.4	236.8	250.3	253.7	255.8	258.5	262.9	265.3
Farm value (1967=100)	163.9	189.9	221.1	211.9	234.1	244.3	244.3	237.8	237.8	233.6
Farm-retail spread (1967=100)	207.3	226.3	251.7	241.9	253.7	255.6	258.2	262.8	268.1	271.9
Farm value/retail cost (%)	14.1	14.8	15.4	15.4	16.0	16.5	16.4	15.8	15.5	15.1
Fresh fruits:										
Retail cost (1967=100)	230.1	258.5	271.8	238.8	298.2	283.3	266.1	257.0	250.4	260.6
Farm value (1967=100)	237.9	237.6	242.7	211.2	264.1	236.1	222.8	198.8	179.8	205.5
Farm-retail spread (1967=100)	226.6	267.9	284.8	251.2	313.5	304.5	285.6	283.1	282.1	285.4
Farm value/retail cost (%)	32.0	28.5	27.7	27.4	27.4	25.8	25.9	24.0	22.2	24.4
Fresh vegetables:										
Retail cost (1967=100)	216.2	222.5	242.2	211.2	253.9	252.4	258.0	271.5	281.1	298.0
Farm value (1967=100)	215.7	204.3	215.8	155.1	251.0	206.7	257.4	269.3	284.0	324.0
Farm-retail spread (1967=100)	216.5	231.1	254.7	239.6	265.3	273.9	258.3	272.5	279.7	285.8
Farm value/retail cost (%)	31.9	29.4	28.5	23.5	31.6	26.2	31.9	31.7	32.3	34.8
Processed fruits and vegetables:										
Retail cost (1967=100)	208.7	226.6	242.5	236.2	246.3	247.5	250.1	250.9	253.0	257.8
Farm value (1967=100)	221.9	235.3	242.6	242.1	245.5	246.9	248.0	251.0	263.8	264.1
Farm-retail spread (1967=100)	205.8	224.7	242.4	234.9	246.5	247.6	250.6	250.9	250.6	256.4
Farm value/retail cost (%)	19.3	18.8	18.1	18.6	18.1	18.1	18.0	18.1	18.9	18.6
Fats and oils:										
Retail cost (1967=100)	209.6	226.3	241.2	235.9	243.6	246.0	247.4	251.9	260.4	267.3
Farm value (1967=100)	257.4	278.0	249.9	244.6	261.7	253.4	273.4	275.2	288.8	278.8
Farm-retail spread (1967=100)	191.1	206.4	237.8	232.5	236.6	243.2	237.4	242.9	249.5	262.9
Farm value/retail cost (%)	34.1	34.1	28.8	28.8	29.8	28.6	30.7	30.4	30.8	29.0

¹ Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	Annual			1980 p					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb p
Beef, Choice:										
Retail price ¹ (cts./lb.)	181.9	226.3	237.6	234.8	244.5	241.0	242.3	242.9	239.5	239.8
Net carcass value ² (cts.)	119.3	150.5	155.4	154.6	160.1	156.6	151.5	150.3	150.5	144.6
Net farm value ³ (cts.)	111.1	140.8	145.0	145.0	150.0	145.2	139.1	139.9	138.0	133.9
Farm-retail spread (cts.)	70.8	85.5	92.6	89.8	94.5	95.8	103.2	103.0	101.5	105.9
Carcass-retail spread ⁴ (cts.)	62.6	75.8	82.2	80.2	84.4	84.4	90.8	92.6	89.0	95.2
Farm-carcass spread ⁵ (cts.)	8.2	9.7	10.4	9.6	10.1	11.4	12.4	10.4	12.5	10.7
Farm value/retail price (%)	61	62	61	62	61	60	57	58	58	56
Pork:										
Retail price ¹ (cts./lb.)	143.6	144.1	139.5	133.2	151.0	153.2	156.3	163.8	151.5	147.2
Wholesale value ² (cts.)	107.7	100.4	98.0	91.3	110.6	113.3	111.7	108.6	104.1	104.6
Net farm value ³ (cts.)	76.6	66.6	63.2	59.0	74.1	76.1	72.9	70.9	65.6	67.3
Farm-retail spread (cts.)	67.0	77.5	76.3	74.2	76.9	77.1	83.4	82.9	85.9	79.9
Wholesale-retail spread ⁴ (cts.)	35.9	43.7	41.5	41.9	40.4	42.1	44.6	45.2	47.4	42.6
Farm-wholesale spread ⁵ (cts.)	31.8	33.8	34.8	32.3	36.5	38.3	38.8	37.7	38.5	37.3
Farm value/retail price (%)	53	46	45	44	49	48	47	46	43	46

¹ Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ² Value of carcass quantity equivalent to 1 lb. of retail cuts-beef adjusted for value of fat and bone byproducts. ³ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁴ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁵ Represents charges made for livestock marketing, processing and transportation to city where consumed. p Preliminary.

Livestock and Products

Poultry and eggs:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Eggs										
Farm production (mil.)	67,300	69,325	69,665	5,593	5,724	5,951	5,798	5,046	5,992	6,396
Average number of layers on farms (mil.)	282	289	287	291	288	292	294	294	292	291
Rate of lay (eggs per layer)	239	240	242	19.2	19.9	20.4	19.8	20.6	20.5	18.6
Cartoned price, New York, grade A										
large (cts./doz.) ¹	61.7	68.2	66.9	60.0	72.8	69.0	80.6	81.0	75.6	71.3
Price of laying feed (\$/ton)	152	168	188	172	199	206	218	220	218	219
Egg-feed price ratio (lb.) ²	6.9	6.9	6.0	5.9	6.2	6.7	6.0	6.6	5.9	5.7
Stocks, beginning of period:										
Shell (thou. cases)	39	38	38	47	29	39	15	18	31	22
Frozen (mil. lb.)	29.7	25.3	23.4	22.1	30.7	29.8	29.1	25.4	24.3	24.5
Replacement chicks hatched (mil.)	492	519	477	42.1	36.7	36.6	32.6	35.3	37.1	35.7
Broilers										
Federally inspected slaughter, certified (mil. lb.)	9,883	10,916	11,089	867.7	924.6	987.6	785.4	911.8	965.5	—
Wholesale price, 9-city, (cts./lb.)	44.5	44.4	46.8	42.7	54.8	51.4	49.7	48.6	49.5	50.3
Price of broiler grower feed (\$/ton)	169	189	207	194	222	228	237	238	237	238
Broiler-feed price ratio (lb.) ²	3.1	2.8	2.7	2.6	2.9	2.8	2.5	2.5	2.5	2.6
Stocks, beginning of period (mil. lb.)	29.4	20.1	30.6	27.3	30.9	27.4	28.4	25.0	22.4	27.1
Average weekly placements of broiler chicks, 21 States (mil.)	70.9	76.3	77.9	80.3	73.6	74.3	73.3	77.3	79.4	81.9
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,983	2,182	2,303	109.4	239.8	271.5	241.8	187.3	140.3	—
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	66.7	68.1	63.5	57.8	74.5	77.0	75.0	67.0	59.4	60.7
Price of turkey grower feed (\$/ton)	182	202	223	202	240	247	260	261	257	255
Turkey-feed price ratio (lb.) ²	4.6	4.1	3.5	3.6	3.7	3.9	3.8	3.5	3.1	3.1
Stocks, beginning of period (mil. lb.)	167.9	175.1	240.0	246.8	384.0	398.8	418.3	257.3	198.3	207.9
Poults hatched (mil.)	157.5	180.0	167.8	16.4	8.9	10.0	10.3	12.8	15.6	16.5

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	8,927	9,226	8,454	7,957	7,045	7,251	7,791	7,964	7,863	7,505
Placed on feed (thou. head) ²	22,593	19,877	18,320	1,221	1,736	2,246	1,653	1,392	1,277	1,190
Marketings (thou. head)	20,297	18,793	17,422	1,580	1,457	1,576	1,353	1,363	1,525	1,440
Other disappearance (thou. head)	1,997	1,856	1,489	155	73	130	127	130	110	129
Beef steer-corn price ratio, Omaha (bu.) ³	24.8	28.7	25.1	29.1	23.1	21.3	19.6	19.5	19.1	19.3
Hog-corn price ratio, Omaha (bu.) ³	22.9	18.1	14.6	16.2	15.7	15.2	13.9	13.6	12.5	13.3
Commercial slaughter (thou. head)*										
Cattle	39,552	33,678	33,804	2,644	2,925	3,220	2,711	2,927	3,004	2,657
Steers	18,526	17,363	17,155	1,418	1,422	1,533	1,300	1,405	1,521	1,355
Helfers	11,758	9,725	9,593	715	874	950	743	839	827	770
Cows	8,470	5,923	6,332	460	559	666	511	625	598	478
Bulls and stags	798	639	724	51	67	72	57	58	58	54
Calves	4,170	2,824	2,589	205	227	257	214	240	238	209
Sheep and lambs	6,269	5,017	5,574	431	491	632	433	484	505	440
Hogs	77,315	89,099	96,076	7,603	7,911	8,740	7,706	8,192	9,132	7,188
Commercial production (mil. lb.)										
Beef	24,010	21,261	21,464	1,708	1,827	2,026	1,705	1,856	1,935	1,721
Veal	600	410	379	28	33	37	31	35	35	30
Lamb and mutton	300	284	310	25	26	29	25	28	30	26
Pork	13,209	15,270	16,432	1,288	1,335	1,485	1,339	1,426	1,416	1,234

Dol. per 100 pounds

Market prices

Slaughter cattle:										
Choice steers, Omaha	52.34	67.76	66.96	67.44	69.68	67.18	65.05	64.29	63.08	61.50
Utility cows, Omaha	36.79	50.10	45.73	51.22	46.56	45.93	43.91	42.92	41.61	43.65
Choice vealers, S. St. Paul	69.24	91.41	75.53	70.88	85.00	83.40	76.47	77.17	77.38	78.00
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	58.79	83.08	75.23	83.18	77.60	76.05	73.75	72.98	72.58	70.40
Slaughter hogs:										
Barrows and gilts, 7-markets	48.49	42.06	40.04	37.61	47.24	48.15	46.38	44.80	41.42	42.43
Feeder pigs:										
S. Mo., 40-50 lb., (per head)	48.16	35.26	30.14	34.84	33.25	37.75	37.20	34.74	31.50	36.86
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	65.33	68.45	66.64	66.31	68.25	66.19	—	61.75	57.50	57.75
Ewes, Good, San Angelo	28.97	32.82	24.68	30.52	20.12	21.90	24.00	24.33	30.50	34.12
Feeder lambs:										
Choice, San Angelo	75.61	77.53	68.36	79.00	67.62	69.75	68.67	69.33	61.75	62.25
Wholesale meat prices, Midwest⁴										
Choice steer beef, 600-700 lb.	80.43	101.62	104.44	103.70	107.97	105.49	101.44	100.57	99.80	96.08
Canner and Cutter cow beef	74.61	100.23	92.45	101.00	93.76	90.88	88.72	87.29	86.25	91.12
Pork loins, 8-14 lb.	95.99	91.35	84.87	81.28	95.32	96.74	91.76	92.67	97.50	96.36
Pork bellies 12-14 lb.	62.50	46.00	43.78	34.64	54.72	57.21	60.00	53.93	60.40	60.18
Hams, skinned, 14-17 lb.	86.37	77.04	73.34	66.81	83.55	87.10	86.40	80.35	65.01	67.42

	Annual			1979		1980			1981	
	1978	1979	1980	III	IV	I	II	III	IV	I
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	12,811	12,681	11,713	10,309	9,938	11,713	10,203	9,619	9,965	11,105
Placed on feed (thou. head) ²	29,073	26,062	24,557	5,957	8,077	6,217	5,625	6,412	7,340	—
Marketings (thou. head)	26,645	24,600	23,183	5,976	5,731	6,155	5,620	5,746	5,677	—
Other disappearance (thou. head) ³	2,558	2,404	1,982	352	571	572	589	299	523	—
Hogs and pigs (14-States):⁶										
Inventory (thou. head) ¹	48,308	51,370	57,130	55,390	57,150	67,130	54,805	54,840	55,160	54,780
Breeding (thou. head) ¹	7,324	8,102	8,055	8,673	8,257	8,055	8,085	7,853	7,442	7,678
Market (thou. head) ¹	40,984	43,268	49,075	46,717	48,863	49,075	46,720	40,987	47,738	47,083
Farrowings (thou. head)	10,602	12,317	11,861	3,154	3,023	2,740	3,366	2,838	2,927	2,580
Pig crop (thou. head)	75,595	87,393	85,915	22,571	21,615	19,650	24,600	20,382	21,383	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. Beginning in January 230-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar.-May (II), June-Aug. (III), and Sept.-Nov. (IV). ⁷ Intentions. ⁸ Classes estimated.

Dairy:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Milk production:										
Total milk (mil. lb.)	121,461	123,411	128,425	9,970	10,364	10,455	10,076	10,491	10,739	10,093
Milk per cow (lb.)	11,243	11,488	11,875	926	955	963	927	965	988	928
Number of milk cows (thou.)	10,803	10,743	10,815	10,771	10,849	10,861	10,868	10,872	10,874	10,874
Milk prices, Minnesota-Wisconsin,										
3.5% fat (\$/cwt.) ¹	9.57	10.91	11.88	11.35	12.07	12.42	12.52	12.61	12.64	12.66
Price of 16% dairy ration (\$/ton)	138	156	177	163	188	192	200	203	203	201
Milk-feed price ratio (lb.) ²	1.53	1.54	1.48	1.57	1.39	1.42	1.40	1.38	1.39	1.40
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	8,626	8,730	8,599	8,878	12,904	12,884	12,837	12,393	12,958	13,808
Commercial (mil. lb.)	4,916	4,475	5,419	5,456	6,132	6,116	6,073	6,876	5,752	6,019
Government (mil. lb.)	3,710	4,254	3,180	3,422	6,772	6,768	6,764	6,717	7,207	7,790
Imports, total equiv. (mil. lb.) ³	2,310	2,305	2,107	102	207	248	262	368	129	n.a.
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,743	2,119	8,800	434.9	206.5	432.2	435.8	580.9	1,384.7	1,451.0
Butter:										
Production (mil. lb.)	994.3	984.6	1,142.0	99.1	77.2	89.6	84.9	101.7	121.3	110.1
Stocks, beginning (mil. lb.)	184.9	206.9	177.8	191.0	306.4	302.9	301.5	302.7	304.6	332.1
Wholesale price, Grade A Ch. (cts./lb.)	109.8	122.4	139.4	130.3	145.1	147.1	147.6	147.7	147.2	147.2
USDA net removals (mil. lb.)	112.0	81.6	257.0	10.4	.7	16.5	15.0	17.8	51.6	49.3
Commercial disappearance (mil. lb.)	903.5	895.0	875.5	83.7	77.5	64.5	78.3	91.6	66.8	n.a.
American cheese:										
Production (mil. lb.)	2,074.2	2,187.7	2,354.1	176.5	181.5	186.0	177.2	200.7	212.2	198.1
Stocks, beginning (mil. lb.)	422.1	378.8	406.6	400.0	556.5	565.6	573.2	530.7	691.6	622.6
Wholesale price, Wis. assembly pt. (cts./lb.)	107.1	123.8	133.0	126.0	136.9	141.2	140.5	140.1	139.3	139.2
USDA net removals (mil. lb.)	39.7	40.2	349.7	22.1	19.2	8.8	12.4	21.1	31.9	43.5
Commercial disappearance (mil. lb.)	2,064.7	2,110.9	2,003.4	155.0	160.2	192.8	185.1	153.2	141.1	n.a.
Other Cheese:										
Production (mil. lb.)	1,445.5	1,527.6	1,591.4	121.3	133.5	142.1	137.8	144.6	131.7	118.4
Stocks, beginning (mil. lb.)	64.0	78.4	105.6	116.0	112.7	112.4	106.6	103.1	99.3	97.0
Commercial disappearance (mil. lb.)	1,655.5	1,730.7	1,810.8	134.6	156.2	174.8	169.8	187.9	142.2	n.a.
Nonfat dry milk:										
Production (mil. lb.)	920.4	908.7	1,151.0	75.8	75.8	74.2	68.5	89.4	92.0	95.3
Stocks, beginning (mil. lb.)	677.9	585.1	485.2	454.4	582.4	599.4	575.5	570.4	586.8	579.0
Wholesale price, avg. manf. (cts./lb.)	71.4	80.0	88.7	83.9	89.7	92.2	93.6	93.9	93.8	93.6
USDA net removals (mil. lb.)	285.0	255.3	634.3	32.1	33.9	38.3	32.6	39.3	55.4	60.9
Commercial disappearance (mil. lb.)	658.4	603.1	529.2	49.3	75.3	36.8	41.9	34.6	41.6	n.a.
Frozen dessert Production (mil. gal.) ⁴	1,173.5	1,152.9	1,169.4	80.0	103.6	92.9	73.8	78.4	73.0	80.5

¹ Manufacturing grade milk. ² Pounds of 16% protein ration equal in value to 1 pound of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbert. n.a. = not available.

Wool:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. wool price, Boston ¹ (cts./lb.)	189	218	245	253	253	253	253	253	253	268
Imported wool price, Boston ² (cts./lb.)	230	257	265	267	267	271	285	296	299	297
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	102,246	106,533	113,423	10,202	7,742	10,793	8,753	10,019	9,330	n.a.
Carpet wool (thou. lb.)	13,009	10,513	9,131	795	699	848	569	578	733	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory fine, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 60/62's, type 64A (24 micron), including duty (25.5 cents). Duty in 1980 is 20.0 cents. Prior to January 1976 reported as: Australian 64's combing, excluding, n.a. not available.

Crops and Products

Feed grains:

	Marketing year ¹			1980					1981	
	1977/78	1978/79	1979/80	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	2.26	2.54	2.81	2.65	3.44	3.43	3.43	3.54	3.56	3.49
Sorghum, No. 2 Yellow, Kansas City (\$/cwt.)	3.54	4.00	4.65	4.35	6.61	5.65	5.91	5.82	5.79	6.52
Barley, feed, Minneapolis (\$/bu.)	1.68	1.80	2.16	2.04	2.43	2.77	3.03	2.75	2.81	2.90
Barley, malting, Minneapolis (\$/bu.) ²	2.27	2.38	2.87	2.81	3.63	3.80	3.88	3.77	3.75	3.83
Exports:										
Corn (mil. bu.)	1,948	2,133	2,433	186	204	242	246	240	209	n.a.
Feed grains (mil. metric tons) ³	56.3	60.2	71.3	5.8	5.8	6.9	7.0	6.8	6.2	n.a.
	Marketing year ¹			1979			1980			
	1977/78	1978/79	1979/80	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec p
Corn:										
Stocks, beginning (mil. bu.)	886	1,111	1,304	4,500	3,287	1,304	6,886	4,857	3,670	1,618
Domestic use:										
Feed (mil. bu.)	3,783	4,368	4,544	716	919	1,553	1,310	688	992	1,529
Food, seed, ind. (mil. bu.)	551	575	650	110	199	141	137	113	259	155
Feed grains:³										
Stocks, beginning (mil. metric tons)	29.9	41.4	46.2	136.9	100.7	55.5	206.2	144.1	107.9	60.3
Domestic use:										
Feed (mil. metric tons)	119.5	137.3	138.7	21.7	30.9	47.7	39.7	20.5	30.8	45.6
Food, seed, ind. (mil. metric tons)	19.0	19.6	21.8	4.0	6.6	4.7	4.7	4.1	8.3	5.1

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 66% or better, plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. p. Preliminary.

Food grains:

	Marketing year ¹			1980					1981	
	1977/78	1978/79	1979/80	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	2.72	3.38	4.25	4.32	4.45	4.70	4.89	4.54	4.60	4.47
Wheat, DNS, Minneapolis (\$/bu.) ²	2.66	3.17	4.16	4.13	4.17	4.62	4.78	4.62	4.65	4.53
Flour, Kansas City (\$/cwt.)	6.60	7.81	10.03	10.26	10.48	10.60	10.68	10.35	10.66	10.40
Flour, Minneapolis (\$/cwt.)	7.34	8.17	10.27	10.41	10.98	11.11	11.14	10.86	11.05	11.11
Rice, S.W. La. (\$/cwt.) ³	21.30	18.40	22.15	22.50	22.00	23.40	25.00	26.75	27.00	27.25
Wheat:										
Exports (mil. bu.)	1,124	1,194	1,375	94	143	121	115	135	134	—
Mill grind (mil. bu.)	616	622	630	50	55	58	55	57	58	—
Wheat flour Production (mil. cwt.)	275	278	283	23	25	26	24	25	26	—
	Marketing year ¹			1979			1980			1981
	1977/78	1978/79	1979/80	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar
Wheat:										
Stocks, beginning (mil. bu.)	1,113	1,178	924	924	2,271	1,716	1,225	902	2,472	1,902
Domestic use:										
Food (mil. bu.)	587	592	595	198	157	145	95	197	156	—
Feed and seed (mil. bu.) ⁴	272	246	188	79	10	64	35	85	43	—
Exports (mil. bu.)	1,124	1,194	1,375	511	388	283	193	518	371	—

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.) . . .	5.20	4.54	6.32	3.78	6.23	9.11	8.46	9.28	11.99	13.40
Iceberg lettuce (\$/ctn.) ¹	5.10	5.10	4.25	3.13	5.31	4.22	4.33	3.56	3.90	3.74
Tomatoes (\$/ctn.) ²	6.65	7.86	7.57	5.93	7.63	8.54	6.52	6.11	12.49	14.74
Wholesale price index, 10 canned veg. (1967=100)	175	191	200	187	211	199	221	218	219	218
Grower price index, fresh commercial veg. (1967=100)	209	215	217	180	219	216	246	250	280	323

¹ Std. carton 24's f.o.b. shipping point. ² 5 x 6-6 x 6, f.o.b. Fla-Cal.

Sugar:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. raw sugar price, N.Y. (cts./lb.) ¹ . . .	—	—	30.10	24.69	36.03	41.69	39.28	30.29	29.61	26.07
U.S. deliveries (thou. short tons) ^{2 3} . . .	10,849	10,714	⁴ 10,114	829	906	808	700	³ 795	³ 697	⁴ 726

¹ Spot price reported by N.Y. Coffee and Sugar Exchange. Reporting resumed in mid August 1979 after being suspended November 3, 1977. ² Raw value. ³ Excludes Hawaii. ⁴ Ten month average. ⁵ Preliminary.

Tobacco:

	Annual			1980					1981	
	1978	1979	1980 ¹	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Prices at auctions:										
Flue-cured (cts./lb.) ²	135.0	140.0	144.7	—	153.5	143.0	133.5	—	—	—
Burley (cts./lb.) ²	131.0	145.2	165.9	139.5	—	—	165.5	166.0	166.0	165.5
Domestic consumption ³										
Cigarettes (bil.)	614.3	614.0	620.5	48.1	54.8	62.1	49.2	43.8	n.a.	n.a.
Large cigars (mil.)	4,701	4,298	3,994	312.6	384.9	390.9	313.2	288.6	n.a.	n.a.

¹ Subject to revision. ² Crop year July-June for flue-cured, October-September for burley. ³ Taxable removals. n.a. = not available.

Coffee

	Annual			1980					1981	
	1978	1979	1980 p	Feb	Sept	Oct	Nov	Dec	Jan p	Feb p
Composite green price, N.Y. (cts./lb.) . . .	155.15	169.50	150.67	163.42	164.78	158.83	151.91	149.54	124.80	120.18
Imports, green bean equivalent (mil.lb.) ¹	2,448	2,656	2,466	186	142	176	202	233	251	² 236
	Annual			1979		1980			1981	
	1978	1979	1980 p	Jul-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar p
Roastings (mil. lb.) ²	2,156	2,249	2,254	497	564	568	532	510	644	³ 580

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. ³ Forecast.

Fats and oils:

	Marketing Year ¹			1980					1981	
	1977/78	1978/79	1979/80	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.) . . .	6.11	6.75	6.25	6.38	7.87	8.07	8.71	7.71	7.50	7.31
Crushings (mil. bu.)	927.7	1,017.8	1,123.0	100.0	81.6	99.4	98.5	94.1	92.7	—
Processing margin (\$/bu.) ²29	.36	.50	.25	.34	.33	.14	.24	.20	.10
Exports (mil. bu.)	723.4	753.0	875.0	73.0	41.4	60.3	75.0	74.5	71.7	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	23.8	27.4	24.3	23.4	26.1	25.1	26.7	22.6	22.9	20.8
Production (mil. lb.)	10,291.4	11,323.0	12,105.0	1,064.9	889.9	1,084.1	1,077.6	1,024.3	1,016.2	—
Domestic disappearance (mil. lb.)	8,192.4	894.2	898.1	756.1	786.2	801.3	687.3	840.6	725.2	—
Exports (mil. lb.)	2,137.1	2,334.0	2,690.0	259.4	176.7	115.2	86.9	123.0	115.9	—
Stocks, beginning (mil. lb.)	766.6	771.0	776.0	1,155.2	1,263.0	1,210.2	1,373.9	1,677.3	1,738.0	1,913.1
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton) . . .	161.87	190.10	181.90	174.25	234.50	246.40	261.40	223.70	223.50	212.50
Production (thou. ton)	22,398.9	24,354.0	27,105.0	2,400.0	1,962.5	2,325.7	2,366.5	2,248.5	2,216.5	—
Domestic disappearance (thou. ton)	16,287.2	1,772.0	1,923.8	1,462.9	1,944.0	2,263.7	2,182.2	2,305.0	2,156.7	—
Exports (thou. ton)	7,542.7	6,610	7,908.0	930.1	550	452	453	752	661	—
Stocks, beginning (thou. ton)	228.3	243	267.0	184.3	262.1	225.6	242.4	381.4	250.0	244
Margarine, wholesale price, Chicago (cts./lb.)	39.1	43.5	50.2	47.5	48.3	47.3	47.9	45.6	42.3	41.3

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Fruit:

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Wholesale price indexes:										
Fresh fruit (1967=100)	217.6	230.4	237.3	242.2	267.3	223.4	219.0	220.5	203.3	211.6
Dried fruit (1967=100)	355.3	530.7	380.4	373.7	381.7	397.3	391.0	391.0	382.2	381.1
Canned fruit and juice (1967=100)	213.9	240.2	256.4	252.0	257.5	258.8	261.3	260.4	239.5	267.3
Frozen fruit and juice (1967=100)	232.0	248.5	244.3	251.3	243.1	243.1	232.7	232.7	228.8	268.5
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	n.a.	n.a.	n.a.	n.a.	12.38	8.54	8.42	8.50	8.50	8.70
Pears, Medford, Or., (\$/box) ²	n.a.	n.a.	n.a.	13.05	n.a.	n.a.	10.02	10.00	9.69	10.26
Oranges, U.S. avg. (\$/box)	10.69	12.50	9.50	9.25	10.60	12.00	11.70	11.00	10.10	11.20
Grapefruit, U.S. avg. (\$/box)	6.72	8.00	8.50	8.05	10.10	9.52	8.43	8.81	8.66	10.10
Stocks, beginning:										
Fresh apples (mil. lb.)	³ 2,624.5	³ 2,789.6	³ 3,222.0	1,597.2	1,550.0	4,335.9	3,980.0	3,223.0	2,634.8	2,035.8
Fresh pears (mil. lb.)	³ 195.3	³ 157.6	³ 206.0	77.9	435.4	350.3	257.6	205.0	170.9	118.4
Frozen fruit (mil. lb.)	³ 517.9	³ 563.7	³ 578.0	448.8	628.6	659.3	626.1	579.7	553.6	500.7
Frozen fruit juices (mil. lb.)	³ 714.0	³ 734.3	³ 1,005.4	1,287.2	1,210.1	1,091.0	948.9	1,010.4	1,185.6	1,397.7

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's. ² D'Anjou pears, Medford, or wrapped, U.S. No. 1, 90-135's ³ Stocks as of January 1 of year listed. n.a. = not available.

Cotton:

	Marketing year ¹			1980					1981	
	1977/78	1978/79	1979/80	Feb	Sept	Oct	Nov	Dec	Jan	Feb
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	52.7	61.6	71.5	80.7	87.5	85.8	87.1	87.2	85.1	83.3
Northern Europe prices:										
Index (cts./lb.) ³	70.6	76.1	85.6	97.1	100.6	98.7	98.0	99.2	99.5	95.9
U.S., SM 1-1/16 in. (cts./lb.) ⁴	66.0	76.3	87.5	98.1	106.9	103.8	104.3	106.0	105.4	102.9
U.S. mill consumption (thou. bales)	6,462.5	6,434.8	6,463.0	530.1	473.6	618.1	476.5	493.1	452.1	—
Exports (thou. bales)	5,484.1	6,180.2	9,228.9	1,077.9	412.4	248.4	455.9	566.2	703.9	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Supply and Utilization: Crops

Supply and Utilization: Domestic Measure¹

	Area		Yield	Production	Total Supply ¹	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		Bu./acre				Mil. bu				\$/bu.
Wheat:											
1976/77	80.4	70.9	30.3	2,149	2,817	74	680	950	1,704	1,113	2.73
1977/78	75.4	66.7	30.7	2,046	3,161	193	667	1,124	1,983	1,178	2.33
1978/79	66.0	56.5	31.4	1,776	2,956	159	679	1,194	2,032	924	2.97
1979/80	71.4	62.5	34.2	2,134	3,060	87	696	1,375	2,158	902	3.78
1980/81*	80.4	70.9	33.4	2,370	3,274	125	715	1,525	2,365	909	3.95-4.05
	Mil. acres		lb/acre				Mil. cwt. (rough equiv.)				c/lb.
Rice:											
1976/77	2.49	2.48	4,663	115.6	152.6	—	42.7	65.6	108.3	40.5	7.02
1977/78	2.26	2.26	4,412	99.2	139.8	—	37.7	72.8	110.5	27.4	9.49
1978/79	2.99	2.97	4,484	133.2	160.6	—	49.2	75.7	124.9	31.6	8.16
1979/80	2.89	2.87	4,599	131.9	163.6	—	48.9	82.5	131.4	25.7	10.50
1980/81*	3.36	3.30	4,403	145.1	170.8	—	51.0	97.5	148.5	19.3	11.50-12.50
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Corn:											
1976/77	84.6	71.5	88.0	6,289	6,691	3,608	513	1,684	5,805	886	2.15
1977/78	84.3	71.6	90.8	6,505	7,394	3,783	651	1,948	6,282	1,111	2.02
1978/79	81.7	71.9	101.0	7,268	8,380	4,368	575	2,133	7,076	1,304	2.25
1979/80	81.4	72.4	109.7	7,939	9,244	4,544	650	2,433	7,627	1,617	2.52
1980/81*	84.1	73.1	91.0	6,648	8,266	4,350	750	2,650	7,650	616	3.15-3.40
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Sorghum:											
1976/77	18.1	14.5	49.1	711	762	419	6	246	671	91	2.03
1977/78	18.6	13.8	56.6	781	872	461	7	214	681	191	1.82
1978/79	16.2	13.4	54.5	731	922	548	7	207	762	160	2.01
1979/80	15.3	12.9	62.7	809	969	490	7	325	822	147	2.34
1980/81*	15.9	12.7	46.2	588	735	400	7	250	657	78	3.05-3.30
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Barley:											
1976/77	9.3	8.4	45.4	383	522	171	158	66	396	126	2.25
1977/78	10.8	9.7	44.0	428	564	175	158	67	391	173	1.78
1978/79	10.0	9.2	49.2	455	638	214	170	26	410	228	1.92
1979/80	8.1	7.5	50.9	383	623	206	170	55	431	192	2.29
1980/81*	8.3	7.2	49.6	359	561	185	172	75	432	129	2.75-2.85
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Oats:											
1976/77	16.6	11.8	45.7	540	747	484	86	10	582	164	1.56
1977/78	17.7	13.5	55.8	753	919	509	75	12	606	313	1.10
1978/79	16.4	11.1	52.3	582	896	525	78	13	616	280	1.20
1979/80	14.0	9.7	54.4	527	808	488	80	4	572	236	1.37
1980/81*	13.4	8.6	53.0	458	695	450	80	10	540	155	1.70-1.80
	Mil. acres		Bu./acre				Mil. bu.				\$/bu.
Soybeans:											
1976/77	50.3	49.4	26.1	1,289	1,534	477	790	564	1,431	103	6.81
1977/78	59.0	57.8	30.6	1,767	1,870	482	927	700	1,709	161	5.88
1978/79	64.7	63.7	29.4	1,869	2,030	499	1,018	739	1,856	174	6.66
1979/80	71.6	70.6	32.1	2,268	2,442	485	1,123	875	2,083	359	6.28
1980/81*	70.1	67.9	26.8	1,817	2,176	491	1,065	785	1,941	235	7.65
							Mil. lbs.				c/lb.
Soybean oil:											
1976/77	—	—	—	8,578	9,829	—	7,511	1,547	9,058	771	24.0
1977/78	—	—	—	10,288	11,059	—	8,273	2,057	10,330	729	24.6
1978/79	—	—	—	11,323	12,052	—	8,942	2,334	11,276	776	27.4
1979/80	—	—	—	12,105	12,881	—	8,981	2,690	11,671	1,210	24.3
1980/81*	—	—	—	11,610	12,820	—	9,250	2,000	11,250	1,570	23.5
							Thou. tons				\$/ton
Soybean meal:											
1976/77	—	—	—	18,488	18,843	—	14,056	4,559	18,615	228	199.8
1977/78	—	—	—	22,371	22,599	—	16,276	8,080	22,356	243	164.2
1978/79	—	—	—	24,354	24,597	—	17,720	6,610	24,330	267	190.1
1979/80	—	—	—	27,105	27,372	—	19,238	7,908	27,146	226	181.9
1980/81*	—	—	—	25,454	25,680	—	18,700	6,700	25,400	280	225.0

See footnotes at end of table.

Supply and Utilization—Domestic Measure, Continued

	Area		Yield	Production	Total ² Supply	Feed and Residual	Other domestic use	Exports	Total use	Ending stocks	Farm price ³
	Planted	Harvested									
	Mil. acres		lb/acre				Mil. balas				c/lb
Cotton:											
1976/77	11.6	10.9	465	10.6	14.3	—	6.7	4.8	11.5	2.9	64.1
1977/78	13.7	13.3	520	14.4	17.3	—	6.5	5.5	12.0	5.3	52.3
1978/79	13.4	12.4	420	10.9	16.2	—	6.4	6.2	12.5	4.0	58.4
1979/80	14.0	12.8	547	14.6	18.6	—	6.5	9.2	15.7	3.0	63.4
1980/81*	14.6	13.0	411	11.1	14.2	—	5.9	5.7	11.6	2.7	—

Supply and Utilization—Metric Measure⁶

	Mil. hectares		Metric tons/ha			Mil. metric tons				\$ /metric ton	
Wheat:											
1976/77	32.5	28.7	2.04	58.5	76.7	2.1	18.5	25.8	46.4	30.3	100
1977/78	30.5	27.0	2.06	55.6	86.0	5.2	18.1	30.6	53.9	32.1	86
1978/79	26.7	22.9	2.11	48.3	80.4	4.3	18.5	32.5	55.3	25.1	109
1979/80	28.9	25.3	2.30	58.1	83.3	2.4	18.9	37.4	58.7	24.6	139
1980/81*	32.5	28.7	2.25	64.5	89.1	3.4	19.5	41.5	64.4	24.7	145-149

Mil. metric tons (rough equiv.)

Rice:											
1976/77	1.0	1.0	5.23	5.2	6.9	70.2	1.9	3.0	4.9	1.8	155
1977/789	.9	4.95	4.5	6.3	70.1	1.7	3.3	5.0	1.2	209
1978/79	1.2	1.2	5.03	6.1	7.3	70.2	2.3	3.4	5.7	1.4	180
1979/80	1.2	1.2	5.15	6.0	7.4	70.3	2.2	3.7	5.9	1.2	231
1980/81*	1.4	1.3	4.94	6.6	7.8	70.2	2.3	4.4	6.7	.9	254-276

Mii, metric tons

Corn:											
1976/77	34.2	28.9	5.52	159.7	170.0	91.6	13.0	42.8	147.5	22.5	85
1977/78	34.1	29.0	5.70	165.2	187.8	96.1	14.0	49.5	159.6	28.2	80
1978/79	33.1	29.1	6.34	184.6	212.9	111.0	14.6	54.2	179.7	33.1	89
1979/80	32.9	29.3	6.89	201.7	234.8	115.4	16.5	61.8	193.7	41.1	99
1980/81*	34.0	29.6	5.71	168.9	210.0	110.5	19.1	64.8	194.3	15.6	124-134

Feed Grain:										
1976/77	52.0	43.0	4.51	194.0	211.5	113.1	17.9	50.6	181.6	29.9
1977/78	52.4	43.9	4.68	205.3	235.5	119.0	18.8	56.3	194.1	41.4
1978/79	50.3	42.7	5.19	221.5	263.2	137.1	19.7	60.2	217.0	46.2
1979/80	48.1	41.5	5.74	238.2	284.7	139.4	21.6	71.3	232.3	52.4
1980/81*	49.3	41.1	4.82	198.2	250.9	131.2	24.1	72.9	228.2	22.7

Soybeans:											
1976/77	20.4	20.0	1.76	35.1	41.7	*2.1	21.5	15.3	38.9	2.8	250
1977/78	23.9	23.4	2.06	48.1	50.9	*2.2	25.2	19.1	46.5	4.4	216
1978/79	26.2	25.8	1.98	50.9	55.2	*2.7	27.7	20.1	50.5	4.7	245
1979/80	29.0	28.6	2.16	61.7	66.5	*2.3	30.6	23.8	56.7	9.8	231
1980/81*	28.4	27.5	1.80	49.4	59.2	*2.5	29.0	21.4	52.8	6.4	281

Soybean oil:										
1976/77	—	—	—	3.89	4.46	—	3.41	.70	4.11	.35 52.9
1977/78	—	—	—	4.67	5.02	—	3.75	.93	4.69	.33 542
1978/79	—	—	—	5.14	5.47	—	4.06	1.06	5.11	.35 604
1979/80	—	—	—	5.49	5.84	—	4.07	1.22	5.29	.55 536
1980/81*	—	—	—	5.27	5.82	—	4.20	.91	5.10	.91 518

Soybean meal:											
1976/77	—	—	—	16.77	17.09	—	12.75	4.14	16.89	.21	220
1977/78	—	—	—	20.29	20.50	—	14.77	5.52	20.28	.22	181
1978/79	—	—	—	22.09	22.31	—	16.08	6.00	22.07	.24	210
1979/80	—	—	—	24.58	24.83	—	17.45	7.17	24.63	.20	201
1980/81*	—	—	—	23.09	23.30	—	16.96	6.08	23.04	.25	248

\$/kg

Cotton:											
1976/77	4.7	4.4	.52	2.31	3.11	—	1.46	1.05	2.50	.63	1.41
1977/78	5.5	5.4	.58	3.14	3.77	—	1.42	1.20	2.61	1.15	1.15
1978/79	5.4	5.0	.47	2.37	3.53	—	1.39	1.35	2.72	.87	1.29
1979/80	5.7	5.2	.61	3.18	4.05	—	1.42	2.00	3.42	.65	1.40
1980/81*	5.9	5.3	.46	2.42	3.09	—	1.28	1.24	2.53	.59	—

*March 11, 1981 Supply and Demand Estimates. ¹Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, soybean, and soybean. ²Includes imports. ³Season average. ⁴Includes seed. ⁵Upland and extra long staple. Stock estimates based on Census Bureau data which results in an unaccounted difference between supply and use estimates and changes in ending stocks. ⁶Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ⁷Statistical discrepancy.

General Economic Data

Gross national product and related data

	Annual			1979				1980			
	1978	1979	1980 p	I	II	III	IV	I	II	III	IV p
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	2,156.1	2,413.9	2,626.1	2,340.6	2,374.6	2,444.1	2,496.3	2,571.7	2,564.8	2,637.3	2,730.6
Personal consumption expenditures	1,348.7	1,510.9	1,672.8	1,454.1	1,478.0	1,529.1	1,582.3	1,631.0	1,626.8	1,682.2	1,751.0
Durable goods	199.3	212.3	211.9	212.5	207.4	213.3	216.1	220.9	194.4	208.8	223.3
Nondurable goods	529.8	602.2	675.7	571.8	586.4	611.5	639.2	661.1	664.0	674.2	703.5
Clothing and shoes	91.9	98.9	104.8	95.8	97.0	100.3	102.5	102.2	102.3	105.3	109.4
Food and beverages	276.4	312.1	345.7	299.1	306.0	314.3	329.0	336.2	338.4	347.7	360.4
Services	619.6	696.3	785.2	669.9	684.2	704.3	727.0	749.0	768.4	799.2	824.2
Gross private domestic investment	375.3	415.8	395.3	408.3	423.2	421.7	410.0	415.6	390.9	377.1	397.7
Fixed investment	353.2	398.3	401.2	384.0	390.1	408.3	410.8	413.1	383.5	393.2	415.1
Nonresidential	242.0	279.7	296.0	267.3	272.9	288.5	290.2	297.8	289.8	294.0	302.1
Residential	111.2	118.6	105.3	116.7	117.2	119.8	120.6	115.2	93.6	99.2	113.0
Change in business inventories	22.2	17.5	-5.9	24.3	33.1	13.3	.8	2.5	7.4	-16.0	-17.4
Net exports of goods and services	-6	13.4	23.3	19.9	8.2	17.9	7.6	8.2	17.1	44.5	23.3
Exports	219.8	281.3	339.8	259.1	266.8	293.1	306.3	337.3	333.3	342.4	346.1
Imports	220.4	267.9	316.5	289.2	258.6	275.2	298.7	329.1	316.2	297.9	322.7
Government purchases of goods and services	432.6	473.8	534.7	458.2	465.1	475.4	496.4	516.8	530.0	533.5	558.6
Federal	153.4	167.9	198.9	164.8	163.6	165.1	178.1	190.0	198.7	194.9	212.0
State and local	279.2	305.9	335.8	293.4	301.6	310.4	318.3	326.8	331.3	338.6	346.6
1972 \$bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,436.9	1,483.0	1,480.7	1,479.9	1,473.4	1,488.2	1,490.6	1,501.9	1,463.3	1,471.9	1,485.6
Personal consumption expenditures	904.8	930.9	935.1	925.5	922.8	933.4	941.6	943.4	919.3	930.8	946.8
Durable goods	146.3	146.6	135.8	149.6	144.2	146.7	146.0	145.4	126.2	132.6	139.1
Nondurable goods	345.7	354.6	358.4	351.1	350.6	355.4	361.3	361.5	356.6	354.9	360.4
Clothing and shoes	73.3	76.6	78.0	75.0	75.3	77.4	78.4	76.9	76.7	78.3	80.1
Food and beverages	172.5	176.7	181.4	173.4	174.7	177.4	181.3	183.6	182.2	180.1	180.0
Services	412.8	429.6	440.9	424.8	428.0	431.3	434.3	436.5	436.5	443.3	447.3
Gross private domestic investment	229.7	232.6	203.6	237.7	238.7	232.6	221.5	218.3	200.5	195.3	200.5
Fixed investment	215.8	222.5	206.6	222.3	220.4	225.0	222.2	219.2	199.2	200.2	207.6
Nonresidential	153.4	163.3	158.4	161.4	161.3	166.4	164.1	165.0	156.1	155.5	157.0
Residential	62.4	59.1	48.1	60.8	59.1	58.6	58.1	54.2	43.1	44.7	50.6
Change in business inventories	14.0	10.2	-2.9	15.4	18.4	7.6	-.7	-.9	1.3	-5.0	-7.2
Net exports of goods and services	24.6	37.7	52.0	36.0	31.6	41.1	42.2	50.1	51.7	57.6	48.5
Exports	127.5	146.9	161.1	141.1	140.5	151.3	154.8	165.9	160.5	160.5	157.4
Imports	103.0	109.2	109.1	105.1	108.8	110.2	112.6	115.8	108.9	102.8	108.9
Government purchases of goods and services	277.8	281.8	290.0	280.6	280.3	281.1	285.3	290.1	291.9	288.2	289.8
Federal	99.8	101.7	108.1	102.9	100.8	99.9	103.1	107.6	110.7	106.9	107.4
State and local	178.0	180.1	181.9	177.7	179.4	181.2	182.2	182.5	181.2	181.3	182.4
New plant and equipment expenditures (\$bil.)	231.24	270.46	294.30	255.55	265.24	273.15	284.30	291.89	294.36	296.23	294.95
Implicit price deflator for GNP (1972=100)	150.05	162.77	177.36	168.16	161.17	164.23	167.47	171.23	175.28	179.18	183.81
Disposable income (\$bil.)	1,462.9	1,641.7	1,821.7	1,580.1	1,612.9	1,663.8	1,710.1	1,765.1	1,784.1	1,840.6	1,897.0
Disposable income (1972 \$bil.)	981.5	1,011.5	1,018.4	1,005.7	1,006.9	1,015.7	1,017.7	1,021.0	1,008.2	1,018.5	1,025.8
Per capita disposable income (\$)	6,688	7,441	8,176	7,186	7,320	7,533	7,722	7,953	8,020	8,249	8,479
Per capita disposable income (1972 \$)	4,487	4,584	4,571	4,574	4,570	4,598	4,596	4,600	4,532	4,565	4,585
U.S. population, tot., incl. military abroad (mil.)	218.7	220.6	222.8	219.9	220.3	220.9	221.5	221.9	227.3	228.0	228.6
Civilian population (mil.)	216.6	218.5	220.7	217.8	218.3	218.8	219.4	219.8	225.2	225.8	226.4

See footnotes at end of next table.

Selected monthly indicators

	Annual			1980					1981	
	1978	1979	1980 p	Feb	Sept	Oct	Nov	Dec	Jan	Feb p
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	146.1	152.5	147.1	152.6	144.1	146.9	149.4	150.9	151.5	150.8
Manufacturing (1967=100)	146.8	153.6	146.6	153.0	143.4	146.4	149.1	150.6	151.0	150.2
Durable (1967=100)	139.7	146.4	136.6	144.1	131.7	135.8	139.3	140.5	141.1	139.9
Nondurable (1967=100)	156.9	164.0	161.1	165.9	160.3	161.8	163.3	165.1	165.2	165.1
Leading economic indicators ⁴ (1967=100)	141.9	140.3	131.7	134.1	135.2	136.3	137.7	137.5	136.9	136.3
Employment ³ (Mil. persons)	94.4	96.9	97.3	97.8	97.2	97.2	97.3	97.3	97.7	97.9
Unemployment rate ³ (%)	6.0	5.8	7.1	6.2	7.4	7.6	7.5	7.4	7.4	7.3
Personal income ¹ (\$bil. annual rate)	1,721.8	1,943.8	2,160.2	2,086.4	2,205.7	2,234.3	2,257.6	2,276.6	2,298.8	2,313.7
Hourly earnings in manufacturing ⁵ (\$)	6.17	6.69	7.27	7.00	7.42	7.49	7.59	7.69	7.72	7.72
Money stock (daily average) ³ (\$bil.)	⁷ 360.1	⁷ 386.9	⁷ 411.9	391.4	408.0	412.0	415.0	411.9	416.1	417.2
Time and savings deposits (daily average) (\$bil.)	⁷ 1,204.3	⁷ 1,292.2	⁷ 1,404.8	1,301.6	1,355.3	1,367.6	1,388.3	1,404.8	1,413.9	1,417.1
Three-month Treasury bill rate ³ (%)	7.221	10.041	11.506	12.814	10.321	11.580	13.888	15.661	14.724	14.905
Aaa corporate bond yield (Moody's) ⁶ (%)	8.73	9.63	11.94	12.38	12.02	12.31	12.97	13.21	12.81	13.35
Interest rate on new home mortgages ⁶ (%)	9.54	10.77	12.65	11.93	12.35	12.81	13.04	13.28	13.26	13.54
Housing starts, private (including farm) (thou.)	2,020.3	1,745.1	1,292.0	1,273	1,482	1,519	1,550	1,535	1,615	1,218
Auto sales at retail, total ¹ (mil.)	11.3	10.6	9.0	10.8	8.5	9.2	9.3	8.9	9.7	10.5
Business sales, total ¹ (\$bil.)	254.3	288.4	310.8	310.2	318.3	325.8	329.0	332.5	338.7	—
Business inventories, total ¹ (\$bil.)	380.6	428.8	457.0	435.2	454.6	456.5	458.0	456.8	461.8	—
Sales of all retail stores (\$bil.) ¹⁰	66.7	73.8	78.7	78.0	80.1	80.6	82.1	82.6	85.1p	85.8
Durable goods stores (\$bil.)	23.5	25.7	25.0	26.4	25.9	25.6	26.5	26.3	27.9p	28.1
Nondurable goods stores (\$bil.)	43.3	48.2	53.7	51.6	54.2	55.0	55.6	56.4	57.2p	57.8
Food stores (\$bil.)	14.5	16.0	21.2	16.7	18.2	18.1	18.3	18.7	18.7p	18.8
Eating and drinking places (\$bil.)	5.8	6.3	8.1	6.6	6.8	6.9	6.9	7.1	7.4	7.5
Apparel and accessory stores (\$bil.)	3.1	3.6	4.6	3.7	3.8	3.9	3.9	3.9	4.0	4.0

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ M1-8. ⁴ Composite index of 12 leading indicators. ⁵ Department of Labor, Bureau of Labor Statistics. ⁶ Not seasonally adjusted. ⁷ December of the year listed. ⁸ Moody's Investors Service. ⁹ Federal Home Loan Board. ¹⁰ Adjusted for seasonal variations, holidays, and trading day differences. p Preliminary. r Revised.

U.S. Agricultural Trade

U. S. agricultural exports

	October-January				January			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excluding poultry	—	—	60,544	68,469	—	—	13,395	10,676
Meat and preps., excluding poultry (mt)	132	139	290,047	323,149	30	34	66,518	80,482
Dairy products, excluding eggs	—	—	47,650	70,009	—	—	12,698	16,333
Poultry and poultry products	—	—	164,905	250,568	—	—	31,030	59,946
Grains and preparations	—	—	5,837,085	7,212,931	—	—	1,285,616	1,838,637
Wheat and wheat flour (mt)	12,666	13,554	2,265,912	2,578,858	2,300	3,591	420,911	702,661
Rice, milled (mt)	915	995	326,129	462,461	288	247	101,242	119,197
Feed grains, excluding products (mt)	24,946	26,681	3,124,035	4,032,658	5,826	6,143	736,387	987,869
Other	—	—	121,009	138,954	—	—	27,076	28,910
Fruits, nuts, and preparations	—	—	790,828	798,202	—	—	165,694	167,205
Vegetables and preparations	—	—	286,943	610,043	—	—	77,901	167,479
Sugar & preps., including honey	—	—	46,727	219,600	—	—	15,951	29,024
Coffee, tea, cocoa, spices, etc. (mt)	18	17	59,035	88,207	3	4	13,762	19,562
Feeds and fodders	—	—	909,933	947,094	—	—	273,071	267,738
Protein meal (mt)	2,533	2,243	591,351	589,918	746	628	175,161	164,432
Beverages excl. distilled alcohol (Lit)	13,800	53,296	6,045	26,285	2,529	10,622	1,094	5,192
Tobacco, unmanufactured (mt)	105	102	511,665	543,689	13	21	63,963	110,470
Hides, skins, and furskins	—	—	432,239	339,473	—	—	149,653	126,880
Oilseeds	—	—	2,930,908	2,551,028	—	—	621,007	635,096
Soybeans (mt)	10,099	7,662	2,645,266	2,369,277	2,335	1,952	606,247	613,941
Wool, unmanufactured (mt)	1	1	12,382	9,223	(¹)	(¹)	2,087	2,341
Cotton, unmanufactured (mt)	628	446	914,759	805,277	174	158	257,321	300,983
Fats, oils, and greases (mt)	466	484	254,723	238,321	98	99	50,723	50,119
Vegetable oils and waxes (mt)	516	492	380,177	342,653	125	119	90,753	81,731
Rubber and allied gums (mt)	4	4	6,045	7,094	1	1	1,599	1,821
Other	—	—	308,427	364,429	—	—	83,169	95,317
Total	—	—	14,251,067	15,815,734	—	—	3,276,905	4,067,032

¹ Less than 500,000.

U.S. agricultural exports by regions

Region ¹	October-January		January		Change from year earlier	
	1979/80	1980/81	1980	1981	October-January	January
	\$ Mil.				PCT	
Western Europe	4,507	4,084	1,232	1,058	-11	-14
European Community (EC-9)	3,495	3,159	914	845	-10	-8
Other Western Europe	1,112	925	318	213	-17	-33
Eastern Europe and USSR	1,976	1,611	326	537	-18	+65
Eastern Europe	900	753	167	230	-16	+38
USSR	1,076	858	159	307	-20	+94
Asia	4,481	5,700	1,048	1,511	+27	+44
West Asia	467	554	107	157	+19	+47
South Asia	170	100	47	39	-41	-17
China, Mainland	486	930	96	267	+91	+178
Japan	2,006	2,508	456	598	+25	+31
Korea	493	722	158	207	+46	+31
Taiwan	374	402	54	96	+7	+78
Other East and Southeast Asia	485	484	130	147	—	+13
Latin America and Caribbean	1,644	2,536	365	564	+54	+55
Brazil	295	342	35	100	+16	+18
Mexico	509	1,088	124	215	+114	+73
Caribbean	224	271	56	78	+21	+39
Central America	105	125	26	23	+19	-12
Venezuela	199	292	44	53	+47	+20
Canada, excluding transshipments	549	675	133	157	+23	+18
Canadian transshipments	297	393	(²)	5	+32	—
Africa	619	741	155	220	+20	+42
North Africa	340	383	99	120	+13	+21
Other Africa	279	358	56	100	+28	+79
Oceania	76	75	16	14	-1	-12
Total	14,251	15,816	3,277	4,067	+11	+24

¹ Not adjusted for transshipments. ² Less than \$500,000. — = None or negligible.

Prices of principal U.S. agricultural trade products

	Annual			1980					1981	
	1978	1979	1980	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.56	4.45	4.78	4.79	4.95	5.23	5.41	5.12	5.20	5.01
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	3.01	3.28	2.97	3.67	3.67	3.79	3.83	3.94	3.69
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.48	2.85	3.38	3.11	3.71	3.70	3.93	3.85	3.89	3.85
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	7.04	7.59	7.39	8.80	8.52	8.49	9.30	8.23	8.12	7.74
Soybean oil, Decatur (cts./lb.)	25.79	27.59	23.83	23.22	25.99	24.49	26.26	23.72	22.41	21.55
Soybean meal, Decatur (\$/ton)	170.71	191.08	196.47	174.25	235.00	243.34	260.78	222.79	219.81	211.08
Cotton, 10 market avg. spot (cts./lb.)	58.31	61.81	81.13	80.18	87.5	65.58	87.05	87.23	85.11	83.30
Tobacco, avg. price of auction (cts./lb.)	121.88	132.15	142.29	136.62	148.46	155.20	143.52	153.07	149.40	149.40
Rice, f.o.b. mill, Houston (\$/cwt.)	20.61	20.25	21.89	22.20	21.70	23.10	24.75	26.55	26.55	25.75
Inedible tallow, Chicago (cts./lb.)	19.74	23.45	18.52	17.47	19.40	17.50	20.44	18.95	15.81	15.83
Import commodities:										
Coffee, N.Y. spot (\$/lb.)	1.66	1.74	1.64	1.94	1.45	1.32	1.25	1.21	1.25	1.23
Sugar, N.Y. spot (cts./lb.)	13.92	15.61	30.10	24.69	35.93	41.69	39.27	30.29	29.57	26.07
Cow meat, f.o.b. port of entry (cts./lb.)	97.17	130.98	125.18	134.55	129.15	129.83	133.25	124.59	121.73	—
Rubber, N.Y. spot (cts./lb.)	50.19	64.57	73.80	83.25	75.50	80.20	71.71	72.24	70.38	68.24
Cocoa beans, N.Y. (\$/lb.)	1.53	1.44	1.14	1.42	1.04	1.01	.94	.91	.92	.89
Bananas, f.o.b. port of entry (\$/40-lb. box)	5.20	5.91	6.89	6.75	6.40	n.a.	6.88	6.71	7.03	7.90
Canned Danish hams, ex-warehouse N.Y. (\$/lb.)	2.02	2.01	1.94	2.09	1.93	2.06	2.07	1.97	1.91	—

n.a. = not available.

U.S. agricultural imports

	October-January				January			
	1979/80	1980/81	1979/80	1980/81	1980	1981	1980	1981
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Live animals, excluding poultry	—	—	241,907	140,959	—	—	71,603	37,981
Meat and preparations, excl. poultry (mt)	327	335	842,547	874,900	89	78	237,704	206,254
Beef and veal (mt)	260	255	671,188	656,408	72	59	194,419	151,567
Pork (mt)	57	69	149,008	191,501	14	17	37,514	48,199
Dairy products, excluding eggs	—	—	193,758	217,742	—	—	38,926	36,546
Poultry and poultry products	—	—	17,223	32,152	—	—	5,146	8,251
Grains and preparations	—	—	91,403	108,140	—	—	20,805	25,398
Wheat and flour (mt)	(¹)	1	150	450	(¹)	(¹)	47	211
Rice (mt)	1	1	497	663	(¹)	(¹)	145	208
Feed grains (mt)	68	44	10,036	8,194	16	10	2,320	1,979
Other	—	—	80,720	98,833	—	—	18,293	23,000
Fruits, nuts and preparations	—	—	395,585	404,138	—	—	102,762	107,921
Bananas, fresh (mt)	758	779	130,536	146,281	191	193	32,771	39,322
Vegetables and preparations	—	—	262,132	248,291	—	—	102,084	76,684
Sugar and preparations, incl. honey	—	—	440,353	969,170	—	—	78,270	244,795
Sugar, cane or beet (mt)	1,360	1,342	363,626	901,347	193	351	63,552	225,755
Coffee, tea, cocoa, spices, etc. (mt) . . .	592	574	2,199,765	1,673,802	173	165	648,728	478,796
Coffee, green (mt)	407	381	1,605,397	1,167,783	121	111	477,078	332,499
Cocoa beans (mt)	40	53	121,941	112,753	11	14	35,216	29,356
Feeds and fodders	—	—	29,375	36,262	—	—	6,974	8,177
Protein meal (mt)	12	7	1,984	1,623	4	2	638	544
Beverages, incl. distilled alcohol (hl) . . .	3,020	3,205	355,564	398,329	666	784	72,006	90,658
Tobacco, unmanufactured (mt)	54	52	129,843	123,286	13	15	32,460	36,056
Hides, skins, and furskins	—	—	68,599	77,517	—	—	17,278	23,571
Oilseeds	—	—	14,108	27,000	—	—	3,220	8,840
Soybeans (mt)	(¹)	7	23	2,287	(¹)	2	18	529
Wool, unmanufactured (mt)	9	11	30,176	39,958	4	4	12,200	15,134
Cotton, unmanufactured (mt)	6	5	1,928	3,198	3	1	903	447
Fats, oils, and greases (mt)	2	4	2,294	2,996	(¹)	1	483	814
Vegetable oils and waxes (mt)	276	333	252,579	211,366	69	71	57,969	47,223
Rubber and allied gums (mt)	220	161	284,240	207,170	78	31	99,877	40,537
Other	—	—	223,822	262,897	—	—	59,210	66,324
Total	—	—	6,077,201	6,059,282	—	—	1,668,638	1,560,406

¹ Less than 500,000. Note: 1 metric ton (mt) = 2,204,622 lb; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-January		January	
	1979/80	1980/81	1979	1980
	\$ Mil.			
Agricultural exports ¹	14,251	15,816	3,277	4,067
Nonagricultural exports ²	52,335	59,106	12,738	13,893
Total exports ³	66,586	74,922	16,015	17,960
Agricultural imports ³	6,077	6,059	1,669	1,560
Nonagricultural imports ⁴	71,503	77,110	18,461	20,731
Total imports	77,580	83,169	20,130	22,291
Agricultural trade balance	8,174	9,757	1,608	2,507
Nonagricultural trade balance	-19,168	-18,004	-5,723	-6,838
Total trade balance	-10,994	-8,247	-4,115	-4,331

¹ Domestic exports including Department of Defense shipments (F.A.S. value). ² Domestic and foreign exports including Department of Defense shipments (F.A.S. value). ³ Imports for consumption (Customs value). ⁴ General imports (Customs value).

World Agricultural Production

World supply and utilization of major crops

	1974/75	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81 ¹
	Mil. units						
Wheat:							
Area (hectare)	219.8	224.8	232.5	226.4	228.2	227.6	235.3
Production (metric ton)	357.3	350.6	421.2	383.8	446.6	422.0	441.7
Exports (metric ton) ²	63.9	66.7	63.1	73.0	72.0	85.7	93.0
Consumption (metric ton) ³ . . .	363.8	351.7	385.2	398.5	429.9	443.9	450.9
Ending stocks (metric ton) ⁴ . .	63.9	62.8	98.8	84.1	100.9	79.0	69.9
Coarse grains:							
Area (hectare)	342.8	350.2	344.6	345.0	343.7	340.9	340.6
Production (metric ton)	628.5	645.3	704.4	700.9	753.8	740.2	717.1
Exports (metric ton) ²	63.4	76.4	82.5	83.9	90.0	100.3	103.6
Consumption (metric ton) ³ . . .	634.7	645.9	685.4	692.4	747.5	742.5	746.8
Ending stocks (metric ton) ⁴ . .	57.3	56.5	75.6	84.1	90.4	88.1	58.5
Rice, milled:							
Area (hectare)	137.8	142.8	141.6	142.9	142.5	141.0	143.9
Production (metric ton)	227.3	243.1	236.2	248.9	259.1	253.9	267.1
Exports (metric ton) ⁴	7.8	9.0	10.5	9.5	11.8	12.4	13.4
Consumption (metric ton) ³ . . .	228.9	235.5	237.5	243.3	254.5	259.5	264.8
Ending stocks (metric ton) ⁴ . .	11.3	18.9	17.6	23.7	28.3	22.7	25.0
Total grains:							
Area (hectare)	700.4	717.8	718.7	714.3	714.4	709.5	719.8
Production (metric ton)	1,213.1	1,239.0	1,361.8	1,333.6	1,459.5	1,416.1	1,425.9
Exports (metric ton) ²	135.1	152.1	156.1	166.4	173.8	198.4	210.0
Consumption (metric ton) ³ . . .	1,227.4	1,233.1	1,308.1	1,334.2	1,431.9	1,445.9	1,462.5
Ending stocks (metric ton) ⁴ . .	132.5	138.2	192.0	191.9	219.6	189.8	153.4
Oilseeds and meals:^{5 6}							
Production (metric ton)	65.1	73.3	66.7	78.6	83.3	96.0	87.2
Trade (metric ton)	27.7	33.8	33.9	38.8	40.6	46.2	45.0
Fats and oils:⁶							
Production (metric ton)	46.2	49.3	47.4	52.2	54.2	58.1	56.7
Trade (metric ton)	14.0	16.1	16.9	18.3	19.3	20.8	20.9
Cotton:							
Area (hectare)	33.4	29.8	30.8	32.8	32.4	32.2	32.7
Production (bale)	64.5	54.0	56.8	64.1	60.2	65.7	65.2
Exports (bale)	17.5	19.1	17.6	19.2	19.9	23.0	19.7
Consumption (bale)	58.7	61.1	60.6	60.7	62.9	65.7	65.6
Ending stocks (bale)	30.9	24.0	20.4	24.4	21.6	21.5	21.3

¹ Forecast. ² Excludes intra-EC trade. ³ Where stocks data not available (excluding USSR), consumption includes stock changes. ⁴ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level.

⁵ Soybean meal equivalent. ⁶ Calendar year data. 1975 data corresponds with 1974/75, 1976 data with 1975/76, etc.

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